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'SUSPICIOUS ERRORS' FOUND IN FRANKS REPORT

PY270006 Buenos Aires LA PRENSA in Spanish 26 Jan 83 pp 1, 4

[J. Iglesias Rouco commentary: "The Franks Report"]

[Text] The report which the commission headed by Lord Franks just presented to the British Parliament is an attempt to explain the responsibility falling upon the cabinet headed by Mrs Thatcher of not having forseen in time -- apparently -- the seizure of the Malvinas Islands by Argentine forces on 2 April. In this regard, the report is a good example of what the Argentine Government should do but does not. Notwithstanding the feat of a military victory, the government action has been submitted, in London, to the principle of investigation, reaffirming the basic duties of the political power toward public opinion and the people. A good service has thus been rendered to democracy in Great Britain.

This service would have been considerably better and the Franks Commission conducted an in depth investigation and not, as it seems to us, one aimed at not affecting the position of Mrs Thatcher and her geopolitical plans too much. Because the truth is that one notes a continuous and unconcealed effort in the report to demonstrate that the British Government could not foresee the invasion; and for this reason, Lord Franks and his men did not hesitate in accepting obvious -- and suspicious -- errors and omissions by the Foreign Office and Mrs Thatcher herself, or in overlooking important information. For instance: The authors of the report are absolutely ignorant of news generated lately in Buenos Aires to the effect that General Galtieri had already decided by the end of 1981, months before his assumption of the presidency, to recover the islands in 1982 by any means, without excluding the military means. The lengthly paragraph which the report dedicates to our articles of January and February in which we anticipated the intentions of Buenos Aires, the Franks Commission would also rather distort the truth to conceal the errors -- perhaps deliberate mistakes -- of London's foreign policy and its intelligence services.

Omissions

Thus, on recalling that we are considered "usually well informed," the commission suggests that our references to the strategic needs that justified an Argentine military action in the archipelago, voiced in our article of 18 February 1982 and confirmed on 19 February during a meeting with members of the British Embassy in Buenos Aires, were simply a matter not of our opinion but related to our "close connections" with Mr. Costa Mendez and the Navy, and that anyhow were part, according to British "intelligence," of an action "agreed upon" with the government to exert pressure on London in view of negotiations in New York. Aside from attributing to us "close connections" with Mr. Costa Mendez, whom we had just met (we had talked to him only once) and with the Navy (which, like the other branches, has never looked upon us with sympathy, obviously because of our criticism of the "process"; and besides, none of its chiefs ever told us what was being cooked up), suggesting an exercise in uncontrolled fantasy, a fantasy not even accepted by boring Foreign Office officials of by M-1, the commission overlooks, on this point, important facts:

1) That many months before the 19 February meeting, we had talked about the same subject with Ambassador Williams, whom we also warned about the need for an understanding on the Malvinas -- and for the very same strategic reasons we mentioned on 18 February -- because not even Galtieri was thinking about the islands then (from what we know, he was more concerned over how to close this newspaper and how to get rid of our bothersome self.)

2) That precisely 20 days or a month before the 19 February meeting, the Foreign Office sent here an important diplomat, from Eastern Europe no less, a region of some concern for Great Britain, since by that time the Soviet intervention in Poland had been consummated.

3) That although the government of Mrs Thatcher, according to Lord Franks, was surprised on 30 March or 1 April by reports of an imminent Argentine attack, a British reporter, Simon Winchester, later detained in the south, arrived in Argentina on 29 March and went to the Malvinas on the 30th. According to Argentine officials, the passports of Winchester and those of the two reporters who accompanied him did not mention their profession but rather mentioned others of a general nature ("trade consultant," "advisor," "researcher"). Apparently, as the Argentine military officers stated then, Winchester has the rare virtue of being present in areas of conflict many days in advance. As is known, he was arrested with his colleagues when he was caught watching with binoculars the Rio Grande naval airbase, the same base from where the Exocet-equipped super Etendart planes would operate later.

4) That during the talks I held with members of the British Embassy on 19 February, one of the diplomats clearly outlined one of the main arguments -- Argentina's undeniable weakness regarding the subject of human rights -- that was later used by the London Government to counteract the effects of the Argentine diplomatic and legal actions, and even to isolate Argentina from Western public opinion during the war.

An Unexpected Event?

Although there is no substantial proof in this regard, these events seem to indicate that London, contrary to what it asserts, was not faced with a totally unexpected event on 2 April, let alone that it was not prepared for it. Moreover, we must also find out what subjects were discussed during the talks on the Malvinas held by Argentine Government representatives with U.S. officials and by U.S. officials with Mrs Thatcher's aides between October 1981 and March 1982. The understandable secrecy of all these officials in this regard is likely to show that even the Franks Commission's good will toward Mrs Thatcher was unnecessary. There is another fact that the Franks Commission's attitude cannot account for from the informative viewpoint: that is, that despite the fact that British analysts carefully noted both our articles published in January and in February and the views of the British Government's representatives about them, they never bothered to find out -- as they could have done -- the reasons that prompted the author of the articles to have his statements so far ahead of time.

Something Useful for Argentina

However, we do not believe that the only purpose of the commission's report is to preserve Mrs Thatcher's personal interests or those of her party. This happens in Great Britain also, but it is not as bad as it is in Argentina. In sum, we have the impression that this investigation mainly sought to minimize and even cover up military and political projects still underway. These projects, which required a good deal of British "innocence" to begin with, will be continued regardless of the [British] Administration that is in office. In this regard, Lord Franks' work is perhaps far more useful for Buenos Aires than for London mainly because of the things it omits, something which might put Argentina on the alert. In any case, it would be useful to consider that possibility, especially now that the British are harboring "fears" -- which are also "innocent" -- about the impossible "aggressive" intentions of Buenos Aires.

Another Officer Is Being Tried

At any rate, as we pointed out at the beginning of this article, the Franks report should be viewed here as an example of political morality and administrative cleverness. The opposite attitude -- one of a total concealment -- that was adopted by the Argentine Government only serves the purposes of the enemy. We say this because this attitude has destroyed the nation's confidence and its fighting spirit, including that of the Armed Forces.

Some days ago, we reported in this same column that the Navy had brought charges against the former commander of the submarine Santa Fe. As we recalled, the submarine's mission in the Georgia Islands consisted of breaking through the blockade imposed on the islands by the Royal Navy -- regardless of the satellites and the fact that it had to travel on the surface -- in order to land -- as it did -- a small detachment of marines on the islands. This detachment was to reinforce the number of soldiers (40 of them) who had occupied the Georgia Islands after 2 April.

Captain Lagos, commander of that detachment, has also been brought to trial on charges of having ordered the surrender of all the forces stationed on the Georgia Islands -- even those not assigned to the battlefield. He is also being tried for surrendering without using up all his ammunition and losing two-thirds of his men, as is provided for in the Code of Military Justice. Lagos might be sentenced to several years of imprisonment. However, his trial has caused unrest among the marines because many of them claim that Rear Adm Busser, the then commander of the Marines Corps and present chief of the Joint Staff, had reportedly told Lagos not to lose lives in the battlefield.

SOUTH AFRICA DENIES SELLING SHIPS TO ARGENTINA

PY261636 Santiago Domestic Service in Spanish 1000 GMT 26 Jan 83

[Text] The South African Embassy in Santiago has released a note clarifying South Africa's alleged delivery of military equipment to Argentina.

The note explains that a West European country was building warships for South Africa in the late 1970's and that in view of a United Nation's decision -- made in November 1977 -- to impose an embargo on arms sales to South Africa, the West European country announced, in 1978, that the ships would not be delivered to the South African Republic.

Under these circumstances, the note goes on, our country put the ships up for sale on the world market. It is understood that some of the ships were bought by Argentina, but they were not transferred [cedidos] by South Africa. Even more, the South African Republic had nothing to do with the distribution of vessels among purchasers, since the ships were never accepted by or delivered to the South African Navy and they have never belonged to South Africa.

MANAGUA BARRICADA INTERVIEWS VELARDE 17 JAN

PA212302 Managua BARRICADA in Spanish 17 Jan 83 p 2

[Text] Bolivia, the country of the altiplano, which continues to experience an unjust landlocked situation in the southern cone of the continent, achieved a new image after the removal of the last military dictatorship and the establishment of a constitutional government.

Bolivian Foreign Minister Mario Valverde attended the Nonaligned Coordinating Bureau meeting and, among other important actions, he reestablished diplomatic relations with Cuba. We present a lengthy interview he granted to BARRICADA.

BARRICADA: Some months ago, Bolivia proposed solutions to the foreign debt problem. Many Latin American countries agreed with those solutions. What results has that initiative achieved? What initiatives have been carried out?

Velarde: Immediately after taking office on 10 October, Bolivian President Hernan Siles Zuazo proposed that the Latin American countries jointly renegotiate their foreign debt. Many governments and peoples of our continent have yet to reply to this initiative. In any case, some foreign ministries and governments have expressed favorable views on this proposal. But there is obviously no consensus or even a majority in favor, for two reasons. First, some countries think they can best solve their own problems individually. As a Nicaraguan companero said, separately they have us with our hands up; they could not do that to us jointly. Another reason why many governments do not dare take this step is that -- speaking clearly, sincerely and categorically -- joint renegotiation could cause a financial disaster for the world power centers because it is estimated that Latin America alone has a debt of more than $300 billion.

BARRICADA: What future do you see for the two trends: the regional one, at the cost of other problems for the centers of power, and the other trend that could destroy the economy of the countries one by one?

Velarde: In any case, the trend will have to be to undertake joint renegotiation or at least to begin to study mechanisms of renegotiation among various countries, to begin to give us technical assistance, to begin to give us information on debt problems, because there are many ways to become indebted. Some of us have become indebted through the banks, in the short term and with very high interests -- even surpassing the free rate for the foreign debt stemming from international organizations and banks. The situation varies from place to place, from one country to another. There is the domestic debt, the foreign debt, the private enterprise debt, the public enterprise debt, the decentralized institution debt, the autonomous institution debt, etc. There are debts that come from the guarantees given by the central banks of the region for the debts of businessmen who haven't paid and will not pay with their money.

Therefore, this situation is very complex and complicated. We would have to begin by thoroughly studying this, not only at the national level but also at the level of various countries through the organization of committees, work groups and technical teams and through greater relations among the various investment and credit banks, those that regulate the currency, central banks. Therefore, this is a very complex and delicate matter, but we must work for and promote rapprochement among our countries, peoples and governments so that a joint proposal can be made, because the only things that are increasing now in the world are the foreign debt and the arms buildup.

In other words, there is a big economic problem and a big political problem that are defined in terms of foreign debt and arms buildup. No negotiation is advancing. There are only calls for negotiation and dialogue; his holiness the pope calls for dialogue and so do the foreign ministers and presidents of one place or another. There are declarations, principles, etc. But everything is at a stalemate in the world at this time.

BARRICADA: The problem is the time that this consensus and agreement takes. In political terms, what significance does that slow reaching of conclusions have?

Velarde: Agony and chaos: Agony for the people -- the pressure continues, the interest continues to accumulate; or, when the interest is paid, we get further into debt. The problem is that we are running against time, and also the creditors to a certain extent.

BARRICADA: This should obviously be a factor of unity at the regional level. In this sense, what is happening with the OAS, which should be the suitable body for this?

Valarde: I attended the last OAS General Assembly, in which nothing was done except on the topic of Bolivia's sea outlet, which led to a very lengthy debate between Chilean Foreign Minister Rojas Galdames and me. There was nothing to do in that assembly because it had already been decided that we were simply going to support the UN resolution on the Malvinas and to discuss budget, financial and internal administration subjects; but in reality nothing was discussed. The most important thing about the last OAS General Assembly was the informal dialogue proposed by the Colombian foreign minister, who was in charge of the presidency of the assembly. That informal dialogue resulted in some very important, essential things.

Unfortunately, due to the nature of that dialogue, neither what was said nor the conclusions reached were or will be published.

BARRICADA: Meanwhile, there are one or two ideas circulating at the continental level; first, that there can be no OAS without the United States; and second, that there could be one without the United States with greater participation of the nations of the region. Regarding this, what do you believe is the real future of the OAS?

The OAS and Its Future

Velarde: I believe that the future of the OAS is to continue as it is, with the United States. It is better to have the United States within an organization, that is, to have a place where we can hold dialogues, talk and discuss our problems with the United States included. It would be interesting to reinforce and revitalize other kinds of mechanisms, organizations such as SELA for example, as well as expanding this kind of meeting seems to be very interesting, since little by little it could contribute to awakening Latin American and Caribbean awareness, which in the long run may express itself collectively or institutionally. But I don't believe that now is the time. We can't do without or expel the United States from the OAS because we need them within the OAS to talk with them, because we are aware of the limitations and the deficiencies and what can or can't be done within that regional organization.

BARRICADA: The regional initiatives that you mentioned as necessary and positive arise in a disorderly manner. However, the general belief is that all these initiatives, such as the Contadora Island initiative and others, have arisen from the need to modify the character of the OAS because of the hegemony the United States maintains.

Velarde: If the system modifies the character of the OAS, it will finish it. It is best that the OAS continue as it is because it is another organization in which we can discuss certain types of problems with the United States, Chile, Venezuela and all the countries...

BARRICADA: Even though it is not the most effective instrument?

Velarde: Even though it is not the most effective instrument. A good, effective instrument has already been created in SELA, and in the future we can invent an effective political mechanism that will include only the Latin American and Caribbean countries, keeping the OAS as a different regional organization. I don't know if you understand me.

BARRICADA: The problem is that the political decisions are made by the United States -- aggression against Nicaragua, economic pressures on other countries -- obviously because they are the world's main financial center.

Velarde: Yes, but the aggression against Nicaragua has not been debated at the OAS. The correlation of forces has changed. Today's world is not the world of 1948; today's world is not the Inter-American Reciprocal Assistance Treaty world. It is not the same world that sent troops or was forced to send troops to fight in Korea. It is a different world. At this moment aggressions don't originate at the OAS. They originate from any of the powers, from any country.

BARRICADA: However, we could say that the pressures are leading toward a polarization. How can the equillibrium be maintained then?

Velarde: I believe that the greatest pressures were felt until 1964, when the OAS was pressured to break with Cuba. But recently the OAS has been serving as another kind of instrument: a sounding box for a series of statements and pronounciations, in which the United States obviously has much influence. But it is much better to be sitting with them at a table than to be completely away from them. If we organize a Latin American and Caribbean countries system, in the long run we are going to have to invite them to talk. It is best to keep the OAS as it is and separately create our own defense mechanisms for peace with the underdeveloped, dependent, foresaken or outlying countries.

BARRICADA: Regarding this, do you believe that the presence of a large number of members of the Nonaligned Movement could be the beginning of this idea?

Velarde: Of course. This is a part of the strategy.

BARRICADA: How should we understand what you described as defense mechanisms?

Velarde: Nonalignment is a defense mechanism, as we have been discussing it during this meeting. The Nonaligned Movement has allowed the discussion of the Latin American and Caribbean problems during the meeting that took place in Nicaragua with the participation of a large number of countries represented at their highest levels. Just imagine what will happen in New Delhi with the number of presidents that will be present there...

To Nicaragua

BARRICADA: Have you anything else to add?

Velarde: I wish to greet all the Nicaraguans and congratulate the Nicaraguan press because we have found in it great willingness and professional ability, not only among the technicians but also in the traditional elements of enthusiasm, patriotism and interest in showing the Nicaraguan people what is happening in the different parts of our suffering Latin American region, in Marti's fatherland, Bolivar's fatherland and Sandino's fatherland.

VENEZUELA ASKS BOLIVIA TO SPONSOR NONALIGNED BID

PY261247 La Paz Radio Illimani Network in Spanish 1100 GMT 26 Jan 83

[Excerpt] The Venezuelan Government has asked Bolivia to support them in its intention to join the Nonaligned Movement. This request, channeled through the Foreign Ministries of the two countries, has been officially announced by Foreign Minister Mario Velarde Dorado.

The minister reported that Venezuela first applied to the presidency of the Nonaligned Movement's Coordinating Bureau, currently in Cuba, and then to the Bolivian Government. Mario Velarde Dorado said that the Venezualan ambassador asked that Bolivian support be publicly announced in proof of the strong brotherhood linking the two nations. He concluded by stating that the Venezuelan presence among the Nonaligned Movement will have great importance.

STUDENTS SEND GREETINGS MESSAGES TO CASTRO

FL261430 Havana Domestic Service in Spanish 1145 GMT 26 Jan 83

[Text] The Bolivian University Students Federation [FUB] and the San Andres University Students Federation have sent separate telegrams to Comdr in Chief Fidel Castro saluting the reestablishment of diplomatic relations between Bolivia and Cuba.

The FUB stated that it shares the joy of the people over an act which stresses an honorable, sovereign and independent foreign policy. The San Andres University Students Federation stated it was delighted with the news of the Bolivian people's sovereign act.

AUTONOMY RESTORED TO UNIVERSITY IN SANTA CRUZ

PY192013 Paris AFP in Spanish 1441 GMT 18 Jan 83

[Excerpt] La Paz, 18 Jan (AFP) -- The Supreme Court of Justice has restored Oscar Anez as dean of the Gabriel Rene Moreno University in Santa Cruz -- a city located 1,000 km east of La Paz, -- thus putting an end to the violent clashes between the antagonistic sectors which were struggling to control this university.

On disowning falangist leader Mario Serrate Ruiz as the university's dean, the supreme court's decision restored the university's autonomy and professor-student co-management.

The university was occupied by pro university autonomy students until the supreme court's decision was made known. These students were under strict military surveillance of the powerful Eighth Army Division.

PRESIDENT FIGUEIREDO TO VISIT MEXICO IN APRIL

PY260214 Brasilia Domestic Service in Portuguese 2200 GMT 25 Jan 83

[Text] Presidential Press Secretary Carlos Atila confirmed today that President Figueiredo will visit Mexico in April and Japan in September. Regarding a trip which President Figueriedo will reportedly make to Africa, Atila said that the date for this trip has not yet been set.

GUERREIRO TO VISIT U.S., MEET WITH SHULTZ

PY201253 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jan 83 p 5

[Text] Next month Foreign Minister Saraiva Guerreiro will pay an official visit to the United States where he will hold meetings with U.S. Secretary of State George Shultz. Among other issues, Guerreiro and Shultz will discuss the establishment of five work commissions created by the two countries last year during President Ronald Reagan's visit to Brazil.

The five work groups will handle the following issues: science and technology, economic and financial issues, nuclear affairs, cooperation in the industrial and military field and space affairs. Itamaraty understands that these groups will be in charge of "carrying out in-depth studies on specific issues."

Presidents Figueiredo and Reagan had instructed their foreign ministers to establish a coordinated work program for the commissions. Itamaraty spokesman Bernardo Pericas made the following statement: "The objective of the work groups is to give continuity to the understandings reached during the visit and to handle issues which were discussed on general terms or which were not brought up during the visit. Therefore, these commissions are merely temporary and not a permanent mechamism."

DISTRICT VOTE PROPOSAL SUBMITTED TO PRESIDENT

PY201338 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 20 Jan 83

[Text] The district vote proposal is already in the hands of President Figueiredo. Reporter Sandra Carvalho now reports from Brasilia.

[Begin relay] The district vote proposal prepared by a commission has already been submitted to President Figueirdo by Justice Minister Ibrahim Abu Ackel. According to this proposal, the voter will be able to vote on all the candidates in general and state elections: one for the district, and one for the state [words indistinct].

In the 1986 elections, state and federal deputies will be elected parly by proportional vote and partly by majority vote per district. [passage indistinct]. [end relay]

DELFIM EXPLAINS CHANGES IN SALARY POLICY LAW

PY260047 Brasilia Domestic Service in Portuguese 2200 GMT 25 Jan 83

[Excerpt] Planning Minister Delfim Netto stated today during an interview granted to the Globo network [a rede Globo] that the federal government's main concern on changing the salary policy law is to maintain the employment level in the country.

During the interview, the minister also explained why the readjustments above the national consumer price index [INPC] proved to be ineffective somehow.

[Begin Delfim recording] The increase in the INPC in fact caused a process of labor turnover. [end recording]

To maintain the level of competitiveness of the Brazilian economy, the minister stated, salaries must increase less than the exchange rate.

[Begin Delfim recording] If we establish a competition between salaries and the exchange rate, we will destroy the ability of national industry, to compete thus causing domestic unemployment. The people must understand that exports involve employment. And the Mercedes Benz case is perhaps the most dramatic example in this regard. Mercedes Benz is laying off workers because it did not manage to maintain its export level. [end recording]

Delfim stated that the change in salary policy provides for a salary readjustment with the sole purpose of maintaining a high employment level.

[Begin Delfim recording] We are adopting all necessary measures seeking to reduce inflation, and if inflation is not reduced salaries will increase at the same rate as inflation. [Words indistinct] and those earning 10 times the minimum salary -- 90 percent of the Brazilian workers are earning this salary -- will have an income practically equal to the INPC. [end recording]

In his interview the planning minister noted that the current salary policy was proposed by President Figueiredo in 1979. including readjustments every 6 months, and that discussions concerning productivity, in Delfim's opinion, are a training mechanism to prepare everyone for the political opening now being implemented.

PMDB Opposes Salary Decree

PY261326 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 26 Jan 83

[Excerpt] The Brazilian Democratic Mobilization Party (PMDB) does not agree with the decree changing the salary policy and will try to get Congress to reject it.

[Begin relay from Brasilia] Today Justice Minister Ibrahim Abi Ackel will meet with Deputy Nelson Marchezan, leader of the Social Democratic Party (PDS) in the Chamber of Deputies, and Senator Aloisio Chaves, leader of the PDS in the Senate, as well as PDS President Jose Sarnei to discuss the difficulties which the decree regarding the salary policy will meet in Congress. There is a chance that the decree will be rejected since the opposition parties together have 244 votes while the PDS only has 235 [words indistinct].

CENTRAL BANK INTERVENES TO SAVE DELFIM BANK

PY242327 Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Jan 83 p 1

[Excerpt] The Central Bank ordered yesterday that the real estate credit companies of the Delfim group be intervened. This group is one of the country's largest private savings companies with 3,365,462 depositors. The intervention, which was scheduled for today, results from a decision made by the Interior Ministry in view of a proposal submitted by the BNH [National Housing Bank]. Depositors' accounts will be transferred to branches of the CEF [Federal Economic Fund], subject to all privileges and guarantees for deposits as high as 5,821,000 cruzeiros.

The BNH has issued a communique announcing that account transactions at the 83 Delfin branches in Rio de Janeiro and Sao Paulo will be interrupted "for the time which is strictly necessary" for the transfer of the savings accounts to the CEF. The communique also explains that CEF savings books will replace the Delfin passbooks.

O ESTADO DE SAO PAULO ANALYZES FRANKS REPORT

PY241355 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jan 83 p 7

[By O ESTADO correspondent Hermano Alves]

[Excerpts] Lisbon -- The report on the Falklands Islands raises more doubts than it gives answers. Lord Oliver Franks and five other members of the inquiry commission (among them, Merlyn Rees, former Labor Party minister who enjoyed the confidence of James Callaghann and Harold Wilson) worked for 6 months and had access to all information sources in Great Britain, and finally they wound up producing a 115-page book in which they reached the conclusion that the government headed by Margaret Thatcher could not have anticipated the Argentine invasion and neither was it in the position to avert it.

Lord Carrington is the father of the lease-back (an expression which implicity recognizes the Argentine right, but claims a long-term British priority based on the principle of uti possidetis), and its godfather was Nicholas Ridley, an intelligent conservative who, as deputy minister, negotiated that solution with Argentina and finished his diplomatic stint when the lease-back was defeated in the parliament by a coalition manipulated by the Falklands lobby which was made up of archconservatives, of others who harken back to the empire, and of elements of the Labor Party left who opposed the Argentine military dictatorship.

The Franks Report pays little heed to the past, unless it is the most recent past. Whenever it engages in a retrospective analysis it is only to say that the Defense Committee of the British Cabinet never discussed the Falklands after September 1981 (something quite understandable considering that Nicholas Ridley and Lord Carrington's plans had sunk under the constant onslaught of Mrs Thatcher and, among others, of the then Defense Minister John Nott), or to say that the group which handles secret information concerning Latin America met 18 times between July 1981 and March 1982 without once discussing the situation of the archipelago.

Is it worth pointing out that Lord Carrington had always met considerable resistance from Mrs Thatcher and from John Nott? Must we remark that the latter, bent upon purchasing the Trident missile and submarine system from the United States, reduced all expenses for conventional naval materiel and refused to listen to any diplomatic explanations concerning the need to keep a fleet in the South Atlantic while the negotiations with Argentina were going on, a thesis which may have been beyond his understanding?

Is it not significant that Lord Carrington fell out of favor with Mrs Thatcher while John Nott was practically expelled from his job when it became obvious that the admiralty did not take him seriously, that the parliament did not respect him, nor the imperialists, or the leftists, or the think tanks [given in English] of the analysis team felt that his stay as defense minister was (puns aside) indefensible?

The Franks Report also mentions that Gen Leopoldo Galtieri and his colleagues harbored certain illusions regarding the United States and believed that Washington would support the taking over of the Falklands by force. In fact, Galtieri was enthusiastically welcomed by the Pentagon when he visited the United States in 1981, when he was already being viewed as the next Argentine president.

There are no doubts that Galtieri was encouraged in his pretensions over the Falklands (pretensions fuelled by the British refusal to negotiate a transition scheme which would last several decades and in which the Keplers would have a special status) by Washington's so-called Latin lobby [given in English].

The members of this lobby were Jeane Kirkpatrick, U.S. ambassador to the United Nations, Thomas Enders, assistant secretary for inter-american affairs, the ubiquitous Vernon Walters, general, secret agent, diplomat and boxer, whom Mrs Thatcher once acidly asked not to mistake her with Neville Chamberlain, the british prime minister who tried to appease Adolf Hitler.

Galtieri was not Hitler just as Margaret Thatcher is not Winston Churchill and, according to Peter Jenkings of the GUARDIAN, (who was lucky enough to be away from London enjoying leave and untouched by the atmosphere of chauvinism) the Malvians conclict was a way which several hundreds of Britishers and Argentines died to guarantee a Tory victory in the coming elections.

The Franks Report now appears to be an element of the electoral campaign which -- for all intent and pruposes -- has already started. It was used to cleanse Mrs Thatcher (who already knew its conclusions in general terms before she made her propaganda trip to the Malvains), to ignore Nott, and to blame the secret services, the diplomatic bureaucracy and, to a certain extent, Lord Carrington and his associates, without allowing the Labor Party to protest since they, too, had been bitten by the bug of patriotism to the point of mistaking the archipelago for the subjects [sudetos], Galtieri for Hitler, Port Stanley for Coventry, etc.

In the short term the Malvinas will be a good issue for the electoral campaign since they appeal to the patriotism of the people and awaken illusions of a Great Britain capable of proving its power 15,000 km away. In the medium-term the islands can prove to be a problem demanding funds and preventive defense (or effective defense against sorties) expenditures which can turn out to be a burden as heavy as the committment in Ulster.

In the long run -- since there are no signs of diplomatic activity and no attention is being paid to the Shakleton Report -- the islands could become an open sore in the side of the West unless the Argentines give up their sovereignty over this archipelago which Sir William Molesworth described to the House of Commons in 1848 as the "accursed islands" which he said were "a useless colony that should be give back to the Buenos Aires government which is rightfully asking for them."

ORDNANCE INDUSTRY EXPANDS EXPORTS OF MATERIEL

PY241532 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Jan 83 p 6

[From the Brasilia branch]

[Text] Jose Luiz Whitaker Ribeiro, president of the Brazilian Ordnance Industry [IMBEL], yesterday revealed that, although yet in the stage of reorganization, the enterprise has already managed to close deals to export arms and other products worth $50 million this year.

Whitaker said that he was not aware that a liaison officer between the IMBEL and the Army Ministry is about to be appointed, even though this is provided for in the recently approved new statute of the enterprise. He explained that liaison between the two parties will be chanelled directly through Gen Jose Magalhaes da Silveira who is head of the military materiel department of the Army and who will also preside over IMBEL's board of administrators.

BETANCUR SUCCESSFULLY UNDERGOES APPENDECTOMY

PA252124 Madrid EFE in Spanish 2033 GMT 25 Jan 83

[Excerpt] Bogota, 25 Jan (EFE) -- Colombian President Belisario Betancur underwent an appendectomy today, the Narino Government Palace Press Office reported officially.

He was operated upon in Marly Clinic in Bogota by Public Health Minister Jose Felix Patino and surgeon Rafael Mora.

The official communique indicates that the chief of state is in good health and that his convalescence of some 3 days will take place in the private rooms of Government House.

DEFENSE MINISTER WARNS OF INTERNAL CONFLICT

PA261418 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 25 Jan 83

[Text] Bogota -- Defense Minister Gen Fernando Landazabal Reyes has warned that members of the Armed Forces do not wear their insignias for surrender, but for victory. He further said that there has been talk about a possible internal armed conflict.

The minister's statement was quoted in an editorial in Fuerzas Armadas magazine. He strongly condemned the actions of the rebels and pointed out that the recently approved amnesty law has uncovered what he termed a farce, since -- in his words -- common criminals have been deprived of the political masks they had been wearing to maintain and take advantage of this tragic situation. He added that the field is now clear for action by the legitimate authorities to fight against the lawbreakers, and that this should have the firm and clear support of law-abiding citizens.

Landazabal Reyes' extensive article identifies kidnapping as a means for obtaining money and states that there is a close link between drug trafficking and subversion, the utilization of rebel art and propaganda, ministers who defend the rebels, and the direct or indirect support for the subversive groups by political organizations.

The defense minister's editorial adds that Colombia will have to become aware of the times it is now facing, and of the importance of accepting its own future. People should no longer be carried away by individual ambitions through the exploitation of accusations for illicit [words indistinct] that could become reasons for disagreements and divisions between the government institutions and the people.

Under these conditions [words indistinct] that the arguments to sustain a new internal national conflict might be currently under formation; for, undoubtedly, that honest part of society that considers itself represented and defended with dignity by the Armed Forces would have to stand on its feet, beside their institutions. Meanwhile, these institutions, faced with the prospect of seeing their dignity sullied, might prepare for a conflict of incalculable and unforseeable proportions that would lead our country toward a new phase of violence in which everything would be lost in the cause of peace and nothing would be gained bor the homeland. Under these conditions, the doors of a (?tenacious), generalized conflict in the homeland would be opened. Let no one (?be mistaken): We Colombian militarymen do not wear the insignias of our commands for surrender, but for victory, General Landazabal Reyes' editorial said in conclusion.

ARMY REJECTS DRUG TRAFFIC INVOLVEMENT CHARGE

PA251454 Paris AFP in Spanish 1854 GMT 24 Jan 83

[Text] Bogota, 24 Jan (AFP) -- Gen Bernardo Lema Henao, commander in chief of the Colombian Army, today rejected accusations of a possible connection between the Colombian Army and international drug traffic.

"We are incorruptible" said that officer, who added in a vigorous tone of voice that the members of the Colombian Armed Forces are an "example for all of Latin America."

MILITARY TO REPLACE DAS IN OFFICIAL PROTECTION

PA221402 Bogota Cadena Radial Super in Spanish 0000 GMT 21 Jan 83

[Text] By order of Gen Oscar Botero, chief of the military household, the presidential escort that is currently made up of members of the DAS [Administrative Security Department] will be replaced by units from (B-2), dressed in civilian clothing, it was learned here at the Narino Palace today.

The DAS units will reportedly be required to leave the presidential installations on 31 January, after which the security of the president and his family, as well as that of diplomats and ministers, will become the responsibility of the military. To this end, the new presidential escort is observing the security system that is used in the Narino Palace. Some 118 men and 2 women will be affected by this measure. Some of them had been working in these jobs since the beginning of the previous administration.

It has been stated that the change of the presidential escort is unconstiutional, because a national law provides that the security of the president of the republic the responsibility of the DAS, in conformity with decree 325 of 7 April 1974.

ARMY RECOVERS PLANES, FREES HOSTAGES FROM FARC

PA261744 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 26 Jan 83

[Text] The 7th Brigade's operation against the guerrilla columns of the outlawed Revolutionary Armed Forces of Colombia, FARC, will continue today in Sierra de la Macarena jurisdiction and other Caqueta and Meta regions. The FARC columns have kidnapped several people and have seized at least 4 light planes.

It was officially reported that in a bloody clash between soldiers of the Vargas Infantry Battalion and members of FARC's 3d front, three of the hostages, including two pilots identified as (Eduardo Alvarez) and Peruvian citizen (Edgar Blanco), were freed. During this confrontation, three guerrillas were killed and two Cessna light planes were recovered. Meanwhile, [words indistinct] (?13) Israeli-made machineguns and radio communications equipment.

In one of its many actions of the last few days staged at several airports in the (Guavi) plains between Caqueta and Meta Departments, the FARC allegedly kidnapped at least 18 people and seized 4 light planes. Brig Gen (Fernando Gomez Barros), commander of the 7th Brigade based at Villavicencio, ordered a special operation, which yielded its first results yesterday. It has been noted that General (Gomez Barros) himself will direct the pursuit to be continued today along the spurs of the La Macarena mountain range and at 3 other airports located on the plains, where another 15 people have allegedly been kidnapped by the FARC.

BULLETIN URGES PERU 'NOT TO PROLONG THE DISPUTE'

PA251250 Madrid EFE in Spanish 0216 GMT 25 Jan 83

[Text] Quito 24 Jan (EFE) -- The Ecuadorean Government has urged Peru "not to prolong the dispute" over the 18 January border incident, and to "end it" in order "to preserve good relations."

Foreign Minister Luis Valencia signed a lengthy communique, which was delivered today to the Peruvian charge d'affaires in Quito. The communique also suggests having a commission with representatives from Argentina, Brazil, Chile, and the United States inspect the region where the incident occurred and verify the true facts.

The document notes the "obvious contradictions between the Peruvian notes and communiques" issued immediately after the incident and the two subsequent notes, the most recent one demanding "reparations" for the death of two soldiers.

In referring to the most recent Peruvian note, the communique considers that it contains "unacceptable" threats, which are contrary to "the serene and cautious attitude that Ecuador has assumed."

The Foreign Ministry bulletin describes the incident in detail, placing it near the Ishpingo Viejo detachament, in the area near the Pastaza River, in Ecuadorean territory.

According to the note, Peruvian soldiers displaying a white flag came to the Ecuadorean post on 20 January to request authorization to search for two Peruvian soldiers. The authorization was denied. Instead, an offer was made for Ecuadorean soldiers to conduct the search.

According to the local version, the Ecuadorean soldiers found the bodies of two Peruvian soldiers, which were delivered to the Peruvian Armed Forces on Friday, 21 January.

The Foreign Ministry notes that "these facts show that it is unlikely that the Ecuadorean patrol was expelled from Peruvian territory," and that "it is even less likely that if the Peruvian soldiers had gotten control of the place where the incident took place they would not have taken away with them the bodies of their comrades in arms."

The Foreign Ministry adds that "if the incident had taken place in Peruvian territory, it would be hard to explain why the bodies were not found in their own territory, and why they had to request the authorization of an Ecuadorean observation post in order to search for them in Ecuador."

In examining the events, one can see that they were probably accidental, and thus Ecuador should not be accused of planning them, the Ecuadorean official communique notes.

It stresses that the Peruvian Government's analysis is groundless, both because of Ecuador's peaceful attitude and acts, and because of the domestic emergency the country is experiencing as a result of floods, a matter that absorbs the attention of all Ecuadoreans, in veiw of the need for immediate help and reconstruction of the affected areas.

The communique finally reiterates the Ecuadorean protest expressed in the previous notes of 19 and 21 January.

HOY ON EXECUTIVE DISREGARD FOR CONGRESS

PY250215 Asuncion HOY in Spanish 22 Jan 83 p 10

[Editorial: "A Dangerous Precedent"]

[Text] The sudden gasoline price increase was in need of a public explanation and this was provided a few days ago by the finance minister at a press conference. The reasons given on that occasion send the impartial observer into a state nearing total preplexity. In fact, not often has one had occasion to hear, in such precise statements, about the low regard in which the nation's legislative branch is held in some sectors. This branch, it must be recalled, has a nontransferable power when it comes to dictating laws.

In more or less few words the finance minister stated that the decision was made to implement the gasoline price increase because the legislative branch had engaged in the irreverence of turning down some tax bill submitted to it. Furthermore, he said that since Congress is in recess, it is perfectly feasible to implement any price increase which the Finance Ministry considers appropriate to alleviate the critical budget deficit which, according to him, barely amounts to 6 percent.

This brings to mind an episode involving the cabinet of U.S. President Abraham Lincoln more than a century ago. When an important question was being discussed, the majority of secretaries voted against the opinion of President Lincoln. Then Lincoln tersely replied: "Seven nays, one aye; aye wins."

There is, however, a subtle difference there. The U.S. president had the power to decide because they were his subordinates he had appointed. In our case, the finance minister ignores the power of a branch of government -- elected by the people -- which, according to the 1967 Constitution, has the exclusive and nontransferable function of dictating the laws of the country. Ignoring this constitutional provision and deciding to solve the problem the way it was done is tantamount to setting aside the principle of balance and interdependence of the powers of the state. It means that the legislative branch should only be respected whenever it agrees with the executive branch, and that whenever the legislative branch refuses to agree, it is ignored and problems are solved as though it did not exist.

Political law experts could draw the most serious conclusions from this episode, and make the most unsettling predictions as to what can be expected. The people find themselves unprotected as far as their rights and their legitimate aspirations to live better are concerned whenever the executive branch decides to set aside the legal channels for the enactment of laws.

It has been said already that tax laws can only be passed by the legislative branch through a procedure which is clearly established in the nation's Constitution. Hauriou, an expert in constitutional law, has said that the law is "a general rule which is written and established by the state powers after deliberations, and it implies the direct or indirect acceptance by the governed."

Nothing has been more at odds with this universally valid definition which is so clearly complemented by the provision of our Constitution than this gasoline tax hike, especially considering the contradictory, vague and weak explanations which were given at the beginning. Only after the press conference held by the finance minister was it possible to see what had happened in all its crudeness. And the impression it left could not be more disheartening.

It has left behind a trial of hopelessness and uncertainty which will not be erased by the rosy predictions made by the finance minister during the same press conference. The price hike has obviously been the result of a hastily made decision, without regard for the legal mechamisms and even less for the people's psychological reaction. But above all has sounded a warning that must not go unnoticed, because it can be used as a dangerous precedent upon which to build a whole body of rules on taxation.

ABC COLOR CARRIES ECONOMY MINISTER'S REMARKS

PY230000 Asuncion ABC COLOR in Spanish 19 Jan 83 p 10, 11

[Excerpts] During a press conference held yesterday and attended by top Economy Ministry officials, Economy Minister Gen Cesar Barrientos said that our country's economy will improve by mid-1983. He explained that, by that time, fiscal revenues will be higher and exports will increase liquidity.

Minister Barrientos gave assurances that the nation's general budget will be implemented without deficits and that funds, which will be used with austerity, will be earmarked specifically for public investment and productive and infrastructure programs.

During the press conference, the minister did not announce any measures that may involve a sudden change in the economy.

The press conference, which was held yesterday afternoon, was attended by Economy Under Secretary Dr Jacinto Obelar; Treasury Director Jorge Cassingnol; Bienvenido Acosta, the nation's financial comptroller; customshouse General Director Salvador Bogado; real estate revenue service Director Dr Dario Zarate Arellano; Economic adviser Dr Eulalio R. Palacios; Internal Revenue Service Director Anibal Gonzalez; and Income Tax Service Director Dr Maximo Vazquez Ballena.

During the first part of the conference, the minister read a statement outlining our country's current financial situation. Minister Barrientos and his advisers answered the questions asked by reporters for almost 2 hours.

The economy minister, who met reporters at his office, first explained that "the national government has based its economic-fiscal-financial-monetary policies on well defined guidlines, with the purpose of achieving our socioeconomic development in an atmosphere of peace, tranquillity and security."

"In keeping with such guidelines, we must increase public investment in productive infrastructure projects of social significance, placing emphasis on the development of the forestry, agriculture and livestock sectors, that is, the basic sectors of our economy. However, we will not neglect investment in other areas, such as highways, bridges and airports and, in the social sector, hospitals, clinics, first-aid stations, elementary schools, high schools, university improvement programs and so forth, all of which contribute to strengthening the basic sectors."

Minister Barrientos also said: "Therefore, in order to comply with the above guidelines, the government must obtain the necessary financial resources, and it has to obtain them through the Economy Ministry, the appropriate agency. Fiscal revenues, which should be as large as possible, must be used for covering inescapable expenses and for increasing, if possible, public investment in the basic sectors."

Concerning the budgets implemented in recent years, the economy minister said: "Substantial surpluses have been registered. A slight decline has been observed since 1981 due mainly to the external factor that we call 'the world crisis' and that also hit our country. However, the Ministry, following the instructions given by the national government, has been implementing the budget with the utmost prudence and austerity, in keeping with a sound financial policy. In this task, this Ministry has sought to meet budget obligations with available funds, in an effort to avoid both cuts in investment programs and excessive extension of such programs."

Minister Barrientos explained that "it has also been reported that the purpose of some tax increases that will be implemented this year and, above all, of the most recent hike in prices of the alcohol-gasoline mixture and of premium gasoline would be to raise funds for covering budget deficits. This Ministry will use all additional fiscal revenues that may be obtained mainly for financing capital investment. That is, we will continue financing investment in the above sectors and we will also finance other projects which, even though of great economic significance, have not been included in the nation's general budget because they were approved only recently."

Concerning these recently approved projects, Minister Barrientos said: "They include rural development of the Caazapa area, highways to be build under the seventh project and the strengthening of social sectors. We will also allocate funds for expenses, salaries, supplies and other strictly necessary expenditures that will be handled with extreme care and prudence."

The economy minister then answered the following questions:

[Question] Has the Economy Ministry come up with any measure for coping with the deteriorating internal and external economic situation?

[Answer] We are engaged in a daily search for a solution to this problem. The world recession must show signs of improvement. We believe that we will be in a different position by mid-1983. But this difficult situation has not taken us by surprise because we have been keeping tack of it. But it was too sudden. For example, there are very rich countries that not only do not have the money to amortize their debts but cannot even pay the interest on those debts. We are not that bad. We must be immensely happy because we live in peace, order and tranquillity. We have practically no unemployed persons.

[Question] Will the fiscal measures that are under study be implemented in coordination with monetary measures?

[Answer] Yes, they will.

[Question] What is, in your opinion, the reason for the substantial decline in fiscal revenues?

[Answer] Imports have always been the source of most of ficsal revenues, because imports pay the highest taxes. There are luxury items that pay high duties, but skyrocketting dollar rates have caused imports to fall for some months, since importers would not buy at high prices. We want importers to buy expensive items that pay high duties and thus increase revenues. But, unfortunately, dollar rates have jumped too high. We believe that conditions may imporve by mid-1983. Exports do not add much to our fiscal revenues. We are interested in imports.

[Question] What is, in your opinion, the reason why income tax law 248 has not been enacted?

[Answer] We have tried to have it enacted, but Congress had too many bills to deal with. We will see whether we can succeed next year.

[Question] Do you believe tax payers will be able to absorb tax increases?

[Answer] Of course. Tax increases fall within their capacity. I will speak of the latest gasoline tax increase. Rich people, who own a car and who take rides in it, are the ones who buy gasoline. We believe, we are convinced, that Paraguay is one of those countries where there are practically no taxes. to begin with, there is no personal income tax. In the United States, personal income tax reaches 80 percent. Those actresses who make millions of dollars have to pay 80 percent of their income. Therefore, you should not be surprised by reports that an actress who made millions of dollars throughout her life died very poor.

[Question] Could you confirm or deny the existence of a resolution by the National Economic Coordination Council establishing a new exchange rate system?

[Answer] Quite frankly, the matter has not been considered by the Coordination Council. I missed two sessions because I was sick.

[Question] Article 47 of the Constitution rules that taxes can be established only by law. The Constitution also states that the power to enforce taxes cannot be delegated. Then, why has a decree been used to raise gasoline taxes?

[Answer] Because Congress was already in recess and the problem had been hanging over us for several months. We did not want to send the bill to Congress because several drafts had already been returned to us. Congress did not have the time to consider them. At least ten bills have been returned to us. This does not mean that we disregard congressional functions. We know that deputies and senators work hard, that they make in-depth studies of bills and that since drafts are first considered by committees, the whole process takes a long time.

[Question] Why then was a decree-law not adopted, taking into account that Congress was in recess?

[Answer] The Council of State was not in session at that time, because congressional activities extend until 20 December each year. Since the government extended that period later, Congress is now at work. But we did not want to send the bill to Congress because the bills they are considering are also important.

[Question] Has the amendment of the law for the repress ion of smuggling been taken into account when issuing tax regulations?

[Answer] That depends on us. Even though strong action has been taken, smuggling is, unfortunately, like a cancer. We are working all along the river on the border with Argentina. Our officials work from 0600 to midnight and even during early morning hours, with the help of the military units stationed along the border. But even so, we must unfortunately admit that smugglers are more intelligent than we are.

[Question] You said the situation would improve by the middle of the year.

[Answer] It will improve by mid-year, because things will start moving only by early March and will take time. You know that exports are paid for in installments, because such conditions must be granted to the purchaser if we are to sell our products.

[Question] I understand you are referring to the public sector's financial situation. What are the measures that the Economy Ministry will enact, taking into account that this year's economic situation continues to be just the same as it was last year? We already know that the GNP [gross national product] declined last year and that there are no signs of improvement. The volume of the expensive imports you talked about are low and they are likely to drop even further. In the absence of a significant change in our country's economic situation, how will the Economy Ministry manage to substantially improve the government's financial status?

[Answer] Precisely through the enforcement of minimum increases, which are under study, in addition to the increases which were already enacted. I am talking very frankly, they will be minimum increases. We cannot tell a public servant who has worked for 30 years: "We cannot pay your salary, because there is no money." We must pay his salary. And the entire country must make an effort. Therefore, if it is necessary to pay ... We are not announcing specific increases, but we are analyzing and we will adopt measures in due time....

[Question] Will those measures also apply to the public sector?

[Answer] Yes, they will.

[Question] Since our tax system is based on indirect taxation, tax increases are inflationary because they cause prices to rise. Doesn't the Economy Ministry believe that it would be advantageous to adopt an urgent tax reform?

[Answer] We are analyzing that issue, but it takes time. We are concerned and we believe that the situation could improve this year. This is precisely what I was telling you. Our situation will improve, from all viewpoints, by mid-1983.

[Question] In recent years, like in 1981, there were budget deficits. It is now known that there was also a deficit in 1982. Taking this into account within the context of the economic juncture, which indicates that fiscal revenues will not be enough to cover budgeted expenses, why do we persist in approving budgets that include expenditures which are beyond our present means?

[Answer] We are convinced that it will be possible to implement the nation's general budget. It is a matter of time. You know that there are things which run slowly when they start, like a train, which first runs slowly and then speeds up. Taxes also work like that. The first months are weak. We are convinced that by mid-year we will be in much better shape. But we sincerely congratulate ourselves because we averted serious problems that would otherwise be bothering us now. However, we are calm. The treasury director can tell you that we began paying salaries on the 26th of each month, something that, many years ago, other governments did not do.

For example, we are not making disbursements that can be delayed. Highway construction, for example, can be delayed. If our highways are not in perfect condition, too bad. Public servants salaries come first, then the supplies for the Armed Forces, for the police, for hospitals, schools and institutions for the aged. All those budget items have priority and we have to allocate funds for them first. We can then pay attention to the things that can be delayed.

DEPUTY REPORTS PERU 'IS PAYING' FOREIGN DEBT

PY241530 Buenos Aires LATIN in Spanish 0847 GMT 24 Jan 83

[Text] Lima, 24 Jan (LATIN-REUTER) -- A government party parliamentarian last night reported that in 1982 Peru paid $1,338,000,000 as interest and amortization of its foreign debt.

Senator Javier Diaz, of the Congressional Committee for the Budget, remarked that Peru is the only developing country that is paying back its foreign debt.

He indicated that Peruvian foreign obligations amount to $11 billion and that the government is currently allocating 30 percent of its income from exports to the servicing of the foreign debt. Peru plans to pay $1.8 billion for interests and amortization this year.

The senator said that Peru is in good (economic) shape and that it even has international reserves amounting to $910 million, reserves which will continue to grow as the prices of minerals such as copper, silver and gold improve.

These minerals are the main sources of income for the country since last year Peru produced 330,000 tons of copper, 46 million ounces of silver and 4,000 kg of gold.

Javier Diaz said: I believe that the charges that our country is bankrupt are totally groundless. He added that pessimistic forecasts can be answered by saying that Peru's economy has good prospects since an increase of salaries and wages of the workers is being prepared.

Last year the rate of inflation in Peru reached 72.9 percent while the devaluation of the sol vis a vis the U.S. dollar was 96 percent. According to official estimates inflation in 1983 will drop to 55 percent.

EXPRESO REPORTS ARREST OF SHINING PATH 'JUDGE'

PY262213 Lima EXPRESO in Spanish 24 Jan 83 p 3

[Text] Ayacucho, 13 Jan -- Froilan Martinez Sullca, alias "Comrade Magno," the terrorist "judge" who imposed the death penalty during the "summary trials" held by "Shining Path" members in Ayacucho towns, has been arrested in Apurimac.

The death penalty was mainly imposed on municipal authorities, many of whom were killed.

This sinister individual was also in charge of passing judgement on those who were to be killed in their homes for having cooperated with the government or for having betrayed the seditious movement.

Martinez Sullca was detained in the locality of Ahuayro, Chincheros District, Anadahuaylas Province, Apurimac Department.

FLOATING OF PESO TO END, EXCHANGE SYSTEM COMING

PY222039 Buenos Aires LATIN in Spanish 1951 GMT 21 Jan 83

[Excerpts] Montevideo, 21 Jan (LATIN-REUTER) -- The Central Bank reported today that prior to 3 March Uruguay will implement one fixed exchange system, adjustable through periodic minidevaluations. This exchange system will replace the free floating market for the Uruguayan peso. This announcement was made in keeping with the exchange policy whose general guidelines were outlined after 26 November 1982.

Uruguay has just obtained a $400 million line of credit from the IMF. Central Bank Chairman Puppo announced that a mission will travel to Washington soon to conclude the pending formal aspects of the line of credit. Upon signing the letter of intent, on which there was major agreement as officially reported, Uruguay will negotiate with some foreign creditor banks to refinance the $200 to $300 million in short-term debt which is a significant part of the foreign debt figure estimated due in 1983. According to official data, Uruguay's foreign debt totalled $3.6 billion during the first 9 months of 1982. Informed sources estimate that the foreign debt currently amounts to approximately $4 billion.

BLANCO PARTY CONVENTION ISSUES STATEMENT

PY262210 Montevideo Radio El Espectador Network in Spanish 1600 GMT 26 Jan 83

[Text] As was already reported by El Espectador, the national party convention has announced its decision to engage in a dialogue with other parties and unions. In a statement released after the designation of the provisional committee that will operate until 5 March, the convention explained that it is seeking to know the aspirations and opinions of all sectors of the community, with the purpose of incorporating them into what is called the great task of national reconstruction.

The convention expressed, among other things, the party's firm determination to hold a frank and constructive dialogue with the Armed Forces. The convention also demanded the abolition of the institutional acts approved in recent years.

GOVERNMENT CLOSES WEEKLY BUSQUEDA FOR 5 ISSUES

PY261640 Paris AFP in Spanish 1135 GMT 26 Jan 83

[Text] Montevideo, 26 Jan (AFP) -- The weekly BUSQUEDA, whose publisher and editor in chief, Danilo Arbilla and Ramon Diaz respectively, were questioned by police last week on grounds that they published an interview with a proscribed political leader, has been closed by the government for five issues, it was officially reported today. In the interview, proscribed leader Jorge Batlle, former presidential candidate and leader of the majority faction of the Colorado Party -- who was also detained for several hours -- demanded major changes in electoral laws. Batlle is one of approximately 30 leaders who were proscribed by an institutional act in 1976.

The decree closing the weekly states that the article, entitled "The Simultaneous Double Vote Divides Parties and Does Not Respect the Will of the Voter," includes statements by a person who is not allowed to engage in any kind of political activity. The decree also states that BUSQUEDA violated the rule that forbids the publication of political statements made by proscribed persons and that, in doing so, BUSQUEDA has again infringed on the law.

SILVA-HERZOG VISITS EUROPE, DISCUSSES OIL PRICES

FL270148 Mexico City NOTIMEX in Spanish 0010 GMT 27 Jan 83

[Text] London, 26 Jan (NOTIMEX) -- Mexico's Secretary of Finance and Public Credit Jesus Silva-Herzog announced here today that his country has received joint credits amounting to $1.84 billion for exports. Silva-Herzog said Mexico now is very close to its goal -- new credits for a total fluctuating between $2 and $2.5 billion. Out of the credits granted, nearly $1 billion are linked to the United States, $240 million to Japan and $200 million to Great Britain.

Silva-Herzog is in London as part of a tour of Europe and the Far East for the purpose of finalizing agreements for the next package of credits.

Regarding the probable fall of oil prices, he recognized that, in general, it could have a negative impact on the Mexican economy. However, he stressed that as the oil revenue drops, the payment of debts will be smaller because of a drop in the type of international interest.

He commented that while the drop of the price of a barrel of crude oil by $1 would cause an annual loss of $650 million for Mexico, the reduction by one point in the types of international interest would translate into a savings of $850 million for Mexico.

Silva-Herzog's conversations in London turned on a package of credits aimed at solving Mexico's problem, a foreign debt amounting to $83 billion. "There is no difference between private and state debts," Silva-Herzog stated and noted: "there is only the country's indebtedness."

Likewise, in his trip around Europe, the Mexican secretary of finance met today in Bonn with his FRG counterpart, Gerhard Stoltenberg, in "a courtesy visit," during which the topics of conversation were Mexico's large foreign debt and economic plans of the government of President Miguel de la Madrid, according to a spokesman.

On another subject, it was learned that Silva-Herzog will arrive next Friday in Madrid to determine the conditions for the renegotiation of the nearly $2.5 billion his country owes Spain.

The secretary of finance will also meet with the president of the Spanish socialist government, Felipe Gonzalez, and Economy, Trade and Finance Minister Miguel Boyer.

BELIZE

GOVERNMENT WANTS CONTINUED TALKS WITH GUATEMALA

PA261544 Panama City ACAN in Spanish 1509 GMT 26 Jan 83

[Excerpts] Belmopan, 26 Jan (ACAN-EFE) -- Following the break in negotiations with Guatemala yesterday in New York, Belize insisted today that neither its territory nor its sovereignty are negotiable.

Prime Minister George Price received a report submitted to him by Education Minister Said Musa, his delegate to the talks held Monday and Tuesday at the United Nations among Belize, Great Britain and Guatemala.

The talks were suspended when Guatemala and Great Britain rejected each other's initial demands.

Despite the apparent stalemate, the Belizean Government wants the talks to continue, since its proposals leave room to satisfy Guatemala's demand for access to the Atlantic, and include an offer for economic cooperation and friendly coexistence, "a document released by the Belmopan administration adds. [quotation marks as received]

COSTA RICA

MINISTER ON SECURITY OPERATION, CONDECA REVIVAL

PA262117 Managua Radio Sandino in Spanish 1830 GMT 26 Jan 83

[Text] Costa Rican Public Security Minister Angel Edmundo Solano today confirmed that a control and security operation will be staged, but he denied that U.S. military personnel will participate in it. According to Solano, the control and security operation is merely the execution of a project announced in October to install a public force command in Costa Rica's Atlantic zone. He added that Costa Rica will not participate in military maneuvers with the United States. We have no army and there is no reason for us to participate in military maneuvers, not even as observers, he explained.

According to Solano, the Costa Rican Government's position is to participate in the current efforts of a number of Central American governments to revive the now-defunct Central American Defense Council, Condeca.

MANAGUA SAYS MILITARY MANEUVERS TO BE STAGED

PA261929 Managua Domestic Service in Spanish 0300 GMT 26 Jan 83

[Text] San Jose, Costa Rica -- Despite the Costa Rican Government's denials and its efforts to conceal the fact that military maneuvers will be staged shortly along the border with Nicaragua, the exercises have been admitted by public force chief Col Oscar Vidal. According to the high-ranking military officer, the maneuvers will be staged in a mountainous area on his country's Atlantic coast, close to Nicaragua. The operation will be called a control and security operation.

According to the report, numerous U.S. military advisers and Costa Rican personnel specially trained at U.S. military bases located in Panama's Canal area will participate in this operation. The U.S. military participation in these exercises has created great unrest in Costa Rican circles. However, U.S. participation has not been confirmed by Colonel Vidal, who has refused to comment on this matter.

EL SALVADOR

FOREIGN MINISTER ON REGION'S PEACE PROSPECTS

PA261810 Panama City ACAN in Spanish 1659 GMT 25 Jan 83

[Text] San Salvador, 25 Jan (ACAN-EFE) -- Salvadoran Foreign Minister Fidel Chavez Mena believes that peace in Central America will only be obtained when the six countries of the area can sit down alone at a negotiating table, including Nicaragua, which he admitted has been to some extent diplomatically isolated.

In an interview granted to ACAN-EFE, Chavez Mena said that the Central American countries should reach an arms control agreement, suspend the traffick in war materiel, achieve economic stability and establish political pluralism in each country.

These points are part of a peace proposal sponsored by the Salvadoran Government. They coincide in part, Chavez Mena said, with the objectives of the Forum for Peace and Democracy, which was created early in October last year with the participation of Central American and Caribbean countries, but not including Guatemala and Nicaragua.

With regard to the Salvadoran conflict, Chavez Mena affirmed that its roots were strictly socioeconomic, which has created a state of unrest, and that foreign interests have taken advantage of this unrest.

Chavez Mena stressed the fact that the civil war in his country cannot end with a military victory. Instead, he added, social and economic structures should undergo a big reform, a broad political amnesty should be granted and it should be ensured that everyone participates in a free election.

He told ACAN-EFE that the Salvadoran conflict should be solved simultaneously with the achievement of social peace in the country and with the assurance from other countries not to get militarily involved.

Chavez Mena, who has been foreign minister since 1980, considers that that the army, which has been subjected to pressures, especially by the economic sector, forcing it to carry out certain policies, should not participate in politics.

"The armed forces should be made into a professional institution," he added, giving as examples Venezuela, Colombia and Ecuador, where the armies avoid all political involvement.

Chavez Mena pointed out that Salvadoran economic structures are antiquated because part of the business sector has been radicalized. He pleaded for a new economic and social order, with modern structures.

We told ACAN-EFE that the political, military, economic and religious forces should unite around a common interest, to achieve a definite general resolve that will bring about the country's pacification and the renewal of its structures. This could cause some backlash on the part of the most radical sectors of the right, which could result in an increase in political violence from the extreme right.

Regarding U.S. Congressional certification of the progress made by the economic reforms and the human rights situation in El Salvador, Chavez Mena said that U.S. support is positive, but that the Salvadoran regime should have its own means to solve its conflicts, without being subjected to outside pressures.

Chavez Mena, who is a member of the Christian Democratic Party, hinted that he may be a candidate in the coming elections, which are expected to be held before 1984. This would force him to step down as foreign minister several months before the elections.

Finally, Chavez Mena told ACAN-EFE that he knows nothing about reports that Lt Col Sigifredo Ochoa Perez, who led a military rebillion in Cabanas Department on 6 January, has been named assistant military attache to the embassy in Washington because, he said, he has not been instructed to ask for Ochoa's accreditation before U.S. diplomatic authorities.

He also denied that Ernesto Rivas Gallont, Salvadoran ambassador to Washington, has irrevocably resigned from his post. Chavez said he remains officially at his post and has shown no intention to retire from his diplomatic career.

AFP: FDR-FMLN PROPOSAL CALLS FOR DIALOGUE

PA262243 Paris AFP in Spanish 2210 GMT 26 Jan 83

[Text] San Jose, 26 Jan (AFP) -- The Revolutionary Democratic Front (FDR) and the FMLN of El Salvador today reiterated a proposal for dialogue with the Salvadoran Government; a proposal "that now counts on the support of the Nonaligned Movement," which met 2 weeks ago in Nicaragua, Salvadoran opposition spokesmen have announced.

A FDR-FMLN document released here notes the interest of these organizations in direct dialogue, without conditions, to find paths that will be conducive to establishing peace and social justice in El Salvador and detente in Central America.

The proposal, presented through Archbishop Arturo Rivera to President Alvaro Magana's Government last October, received support in Managua from representatives of the Nonaligned Movement Coordinating Bureau, which drafted a document on Latin America that will be read at the New Delhi meeting this year.

The FDR-FMLN today indicates that the resolutions the Nonaligned Movement adopted in Managua on the Salvadoran situation constitute an "unmasking of the interventionist role of the U.S. Government in the Salvadoran domestic conflict, and recognition that our fronts are belligerents in the conflict."

These Nonaligned Movement agreements "flatly reject placing the region's social and political conflicts within the framework of the East-West conflict and denounce the intervention of the Reagan administration and the repression," the document states.

The Nonaligned Movement also denounced "the involvement of the Honduran Army in Salvadoran affairs and calls on the U.S. Government to adopt a positive attitude and contribute to finding a solution based on the principles of nonalignment," the communique adds.

The FDR-FMLN finally stress their firm policial-military position and note "the state of deterioration" of the Salvadoran Army, which has unleashed -- according to the document -- an internal crisis in the armed forces.

ARMY, GUERRILLAS BATTLE OVER MEANGUERA

PA260240 San Salvador EL DIARIO DE HOY in Spanish 25 Jan 83 p 2

[Excerpts] Army troops were involved in intense fighting with subversives yesterday for control of the town of Meanguera, in northern Morazan.

These operations began 9 days ago. The military units, composed of 3 U.S.-trained battalions, have inflicted 200 casualties on the extremists. Meanwhile, the subversives say that they captured several troops from the Atonal Battalion on Saturday, when they dislodged them from Meanguera.

It was also learned yesterday that fighting continued between the army and subversives in the Chalatenango area. The subversives have tried to recapture the towns of El Jicaro and Las Vueltas, from which they were dislodged about 2 months ago.

ARMY SENDS 1,000 REINFORCEMENTS TO MORAZAN

PA260244 San Salvador EL DIARIO DE HOY in Spanish 25 Jan 83 p 4

[Excerpts] About 1,000 troops from the Atlacatl Battalion have been sent to reinforce the 5,000 troops who for more than a week have been staging pacification operations in northern Morazan Department. Sources report that the army has inflicted 40 casualties on the terrorists in separate actions over the weekend.

According to international news agency reports, the subversives say that over the weekend they retook the town of Meanguera, 20 km north of San Francisco Gotera, which was recovered by the army on Wednesday after heavy fighting.

The reports indicate that the heaviest fighting is taking place north of the Torola River, where the bridge was blown up by the subversives last week. The armed forces have yet to report on the cleanup operations in northern Morazan because of the lack of communications, since the terrorists have destroyed the telephone lines.

ARMY SAYS: STRATEGIC BRIDGE STILL OPERATING

PA262052 San Salvador EL MUNDO in Spanish 25 Jan 83 p 1

[Text] The concrete and steel pillars of the railroad bridge over the Rio Lempa, located between San Nicolas Lempa, in San Vicente, and San Marcos Lempa, in Usulutan, were damaged today by the terrorists, who placed their explosives around 0430. According to reports released by the local military garrison, the damage is partial and traffic continues.

It was also confirmed today that La Palma, in Chalatenango, located 82 km northeast of San Salvador, is currently occupied by guerrillas, who yesterday morning launched a combined attack. The garrison called for reinforcements, but these did not arrive in time. The fate of the soldiers posted there is not yet known. An operation to dislodge the guerrillas is reportedly being prepared.

REBELS LEAVE LA PALMA; POWER RESTORED IN EAST

PA262259 San Salvador Radio Cadena YSKL in Spanish 1300 GMT 26 Jan 83

[Text] Traffic toward the border around (El Poy) has been resumed now that the guerrillas have abandoned the town of La Palma, the area around (Sitala) and other places near these town.

According to travelers from the north, traffic on the road leading to the border remains uninterrupted. They also said that the guerrillas are no longer in La Palma. They left yesterday after attacking the small garrisons in the area. No civilians were killed during the incursion, but two national guardsmen fell in combat with the guerrillas, it has been reported.

Official reports note that as a result of the intensification of armed actions, six departments have had problems in the last 24 hours. Power was restored yesterday afternoon in the eastern zone. The departments where conflicts have been waged include Morazan, Usulutan, Chalatenango, San Vicente, northern San Salvador and La Paz, near El Playon, which borders San Vicente, where the rebels opened fire at an army patrol that later pursued them. We have learned that vigilance will be stepped up along the roads in order to better control the situation.

From another quarter, military sources and travelers from the east confirmed this morning that traffic on the railroad bridge, along the coastal road which lies adjacent to the now-destroyed (Puente de Oro), is possible, since the guerrilla attacks did not seriously damage the bridge's structure.

According to reports received from the eastern zone, particularly from Usulutan Department, the rebels damaged the road from Jiquilisco to Puerto el Triunfo, located some 85 km southeast of San Salvador, early this morning. According to the authorities, on the previous evening the guerrillas used picks and shovels to damage the road leading into the area of Puerto el Triunfo. This has been confirmed by civilians who periodically travel through this part of the country. According to them, the army was advised of presence of numerous rebels in the area as early as last week.

INSURGENTS LOOT TOWN; POWER OUTAGES NOTED

PA262312 San Salvador EL MUNDO in Spanish 25 Jan 83 p 3

[Excerpts] San Miguel, 25 Jan -- Over 300 extremists seized the town of Alegria, Usulutan Department, at 0100 today. They set fire to the mayor's office and to the Antel [National Telecommunications Administration] office and looted the most important businesses.

According to a reliable source, the 11-member civil defense detachment confronted them. This group was armed with M-16 rifles and other weapons with which, according to our source, they managed to force the terrorists from the town.

The extremists abandoned Alegria at 0500, leaving five bodies on the streets and taking several injured people with them. According to the report, one of the civil defense members was killed and another was injured.

Power was restored in the east yesterday at 1430, but was again interrupted at 1918. It has been learned that another important tower was destroyed near San Felipe, San Vicente Department. Last night, it was announced in this city that some 500 troops here had been deployed to Morazan, to reinforce the troops currently fighting the insurgents there.

COMMENTARY VIEWS U.S. CRITICISM ON HUMAN RIGHTS

PA260454 San Salvador EL DIARIO DE HOY in Spanish 25 Jan 83 pp 9, 31

[Commentary by Carlos Giron: "The Fuss Over Reagan's Certification"]

[Excerpts] On Friday, President Ronald Reagan once again certified that El Salvador has made progress in respecting "human rights" so that the U.S. Congress and Senate will not cut off the administration's economic and military aid to El Salvador.

That is the reason for the recent honorable visit of a sizeable number of figures from the other side of the Rio Grande who have come to personnally verify if there are adequate grounds for that certification.

The supposed attitude and interest of U.S. Senators, Congressmen and representatives of civic and religious groups in monitoring the respect for human rights would be highly praiseworthy were this really their objective.

We Salvadorans have had sufficient opportunity to confirm that things are different. In general, the figures who visit us are not impartial individuals who will tell the truth upon returning to their country. Most of them sympathize with the extreme left and support its efforts to reach political power even through violence.

In truth, when these gentlemen like Christopher Dodd, Charles Percy, George Willers, Claiborne Pell, Stephen Solarz, Paul Tsongas, Clarence Long, etcetera, come to investigate the respect for human rights, don't you believe they are referring to the human rights of all the Salvadoran people. They are solely and exclusively referring to the "rights" they grant those who for the past 3 years have imposed a cruel and dehumanizing war on the 4.5 million Salvadorans who want peace, justice, freedom and work.

It can be said that many of the them are a sort of envoy and lawyer of the FMLN-FDR [Revolutionary Democratic Front]. That is why when they return to their country they say terrible things about what the government and army do to "the opposition forces." They never call them subversives and, even less, terrorists. They never talk about the monstrous destructive work of their proteges either because they are not interested or they don't want to know.

It is illogicial for those representatives to try to put the Salvadoran Government and Army up against the wall over the issue of human rights, purposely ignoring that we are waging a war, that we are fighting against an open attack about which the entire world knows since the guerrillas in El Salvador would not have the firepower capacity they have were they not being supplied by Cuba via Nicaragua.

RADIO VENCEREMOS REPORTS ON FMLN ACTIVITIES

Coprefa Report Denied

PA260259 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 25 Jan 83

[Excerpt] The military operation that the dictatorship launched 8 days ago in Morazan Department has made no progress. The dictatorship's forces are bogged down, with many casualties and with absolutely no morale.

On 24 January, the army's general command sent another battalion to Morazan to replace the casualties that we have inflicted in our great victories to the north of the Torola River, where, as we have previously reported, we forced the entire Atonal Battalion from its positions in Meanguera and on the north bank of the river. The dictatorship's special battalions are still on the defensive, holding their positions and waiting for replacements, which we already know are in Morazan. Meanwhile, the FMLN's military forces are holding their positions as well, following the enemy's movements and waging a war of attrition on the dictatorship's forces.

On 24 Janaury, local and international media carried a report released by the Armed Forces Press Committee, Coprefa, by the genocidal general command, that the dictatorship's special forces had allegedly crossed the Torola River and recaptured Meanguera, Jocoaitique and other towns in northern Morazan. Coprefa also reported that fierce fighting was taking place in Perquin, Torola and San Fernando. Radio Venceremos categorically denies Coprefa's report. All of this is absolutely false. The enemy is trying to achieve with lies and false propaganda what it has not been able to achieve on the battlefield.

Our forces are holding their positions and are well entrenched in that zone to date. On the other hand, the dictatorship's special battalions have made no advnces; should they try to do so, they will pay with their lives.

FMLN Forces Seize La Palma

PA260313 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 25 Jan 83

[Text] Our January Revolutionary Heroes military campaign is continuing successfully. In contrast, the dictatorship's elite battalions are bogged down in Morazan Department.

The FMLN's forces have occupied the enemy's positions in La Palma, a village in Chalatenango Department, located on the northern highway.

Early reports indicated that our forces took 16 prisoners, all members of the National Guard, and seized 36 weapons, a number of uniforms and a large quantity of ammunition when it occupied La Palma. The FMLN's forces also shot down a Salvadoran Air Force helicopter. The final figures on this victory by our revolutionary army will be released in later transmissions.

We offer our revolutionary salute to our warriors in Chalatenango who participated in this new victory, which we can add to the other victories that we will obtain in conducting the January Revolutionary Heroes military campaign.

More Towns Seized

PA261347 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 26 Jan 83

[Text] Our January Revolutionary Heroes offensive continues to advance. In Morazan we have managed to stop four of the dictatorship's special battalions, and in Chalatenango our forces continue advancing and defeating the enmey in complete fulfillment of our strategic objectives. A preliminary report has reached us from Chalatenango on the seizure of the town of La Palma, located on the main northern road that leads into Honduras. The report reads:

Our forces attacked the National Guard post in La Palma, Chalatenango Department, at 0215 on 24 January. Heavy fighting took place that morning, and the enemy was pushed back into their headquarters. At 1400 that day our units stormed and seized the headquarters and captured 16 national guardmen with all their military gear.

In the early morning hours of the 24 January, FMLN forces also attacked the paramilitary post in San Luis del Carmen, seizing that town at 0200 and resulting in the recovery of two G-3 rifles, three carbines, one Czechoslovak rifle, and other war materiel including a large amount of ammunition. Six prisoners of war were taken during the seizure of San Luis del Carmen. They were later released and turned over to the local people.

At 0500 fighting began in (Acagualpa), where the enemy sustained an undetermined number of casualties. At 0630 fighting began in the positions leading toward Santa Cruz, where we wounded three enemy soldiers. While withdrawing, our forces seized the paramilitary bases in Los Naranjos, and at 0930 we inflicted one casualty on the enemy and recovered additional war materiel.

We also report to our people that at 1035 on the 24 January [words indistinct] downed a military helicopter around (Iramundo) hill, located some 12 km northwest of La Palma.

These preliminary reports on the new victories obtained in Chalatenango were submitted by Commander (Dimas Rodriguez).

GUATEMALA

FOREIGN MINISTER ON DEADLOCKED BELIZE TALKS

PA261959 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 26 Jan 83

[Text] In New York, talks among Guatemala, Belize and the United Kingdom took place in climate of conflict, and no progress of any kind was achieved, according to statements made by diplomatic circles today. Guatemala announced that it will reiterate its claim to the entire territory of Belize and that it will continue to seek to recover it through the path of international law, according to these sources.

In the negotiations that took place yesterday at the seat of the British mission to the United Nations, Guatemala adopted a more flexible position and proposed as a solution that Guatemala renounce its claims to the entire territory of Belize in exchange for the transfer of Toledo Department, which encompasses 1/6 of Belize's territory.

Guatemala proposes to establish a port and an oil pipeline in that area, the sources said.

For its part, Belize proposed the establishment of a joint development area along the Sarstun River, which Guatemala considers to be an attempt to infiltrate its territory.

(Robert Levy), Belize's ambassador to the United Nations, said that Belize's sovereignty [brief break in transmission] in the meeting, he insisted on the firm proposal that in the delimitation of the border within Guatemalan territory, the southern part of the Monkey River be included, but the British delegation rejected this proposal.

The Guatemalan mission was led by Mario Quinones Amezquita, our ambassador to the United Nations, and included (Luisa Echinela), director of legal affairs for the Foreign Ministry, and (David Vela).

Foreign Minister Eduardo Castillo Arriola has said that Guatemala is firmly determined not to yield in the dispute.

[Begin recording] [Castillo] The Guatemalan Government's position is firm; it is not possible to yield. One can agree to compensations of other kinds, such as economic cooperation, programs or whatever, facilities for a port on the Pacific for Belize, etc., etc., but we cannot yield in matters that are fundamental and vital to Guatemala and its overall development.

[Question] Will the claim to the territory of Teledo be maintained?

[Answer] As the delegation said yesterday, repeating the position of the president of the republic, which I have also stated for some time, in the present situation, there can be no change for Guatemala. We will wait whatever time is necessary to seek the legitimate restitution of Guatemala's rights to the territory of Belize.

[Question] Were the British and Belizean delegations to the talks made up of high-ranking officials?

[Answer] Yes, high-ranking officials. Ambassador (White) is an official of the permanent mission at the United Nations. Another member is from the British Foreign Office. For Belize there was [name indistinct] (Lesley), the Belizean ambassador to the United Nations, and also a minister who came from Belize. [end recording]

Guatemala would be willing to accept the return of Toledo district, according to a statement made yesterday by Foreign Minister Castillo Arriola.

[Begin Castillo recording] In a conciliatory manner, the government proposed the cession of Toledo district and the use of natural limits, either a high dividing mountain or a river whose course would serve permanently as a border. This has been Guatemala's proposal to the United Kingdom.

The negotiations that have taken place recently included the talks in November. At that time, we agreed on an agenda with Belize and the United Kingdom, but with Belize forming part of the UK delegation, because the negotiation is not tripartite one, but rather bilateral.

In this regard, in November we gave them a complete study with mpas regarding Guatemala's proposal. We said that if they had a vital interest in resolving this situation, which would give Belize great facilities and improvements, first of all access to a friendly, sisterly Guatemala that wouod cooperate to seek the development of Belize. [sentence as heard] Belize would have secure border delimited bilaterally, which would also be beneficial to Guatemala, with all the facilities that Guatemala could provide, not only in the strictly economic aspect of development, but also in the areas of health, education and cooperation, and also aid to Belize for its entry into international organizations such as [break in record] [end recording].

EDITORIAL CALLS FOR GOOD SENSE ON BELIZE ISSUE

PA262034 Guatemala City DIARIO DE CENTRO America in Spanish 18 Jan 83 p 3

[Text] When the United Kingdom unilaterally granted "independence" to Belize, it demonstrated its traditional cunning in negotiations in which the interests of the parties in dispute is at stake.

This ability for cunning -- backed by a powerful fleet -- did not find in its Guatemalan counterpart the same type of artifice or even the necessary intelligence to present debatable arguments that would have weight with world wide public opinion, which was manipulated masterfully by the usurping power.

This is not a case of self-examination to admit our errors or the incompetence of the officials to whom we entrusted the ligation for many years, but we should not try to fool ourselves or lament the weakness we have shown in all walks of life.

Guatemala's reaction to the dispossession is one of dignity, and if the possibility of dialogue still exists, the conditions discussed at the conference table have to be realistic, and their negotiation feasible.

If Belize wants a future of prosperity and peace with its neighbors, as a really sovereign state within the regional group of which it is part; Guatemala has proposed an intelligent and worthy solution; an outlet to the sea through the Toledo district.

The new state's internal policies can be manipulated to hinder any understandings in the next round of negotiations, but if commonsense prevails, the possibility of an easing of tension in that part of Central America would be within reach, along with the corresponding benefits for the countries involved. The United Kingdom, Guatemala and Belize are not interested in leaving furture generations a legacy of instability and unrest.

HONDURAS

PRESIDENT SUAZO CORDOVA ADDRESSES ASSEMBLY

PA260140 Tegucigalpa Domestic Service in Spanish 1626 GMT 25 Jan 83

[Speech by Honduran President Roberto Suazo Cordova at inauguration of Constituent Assembly at Legislative Palace in Tegucigalpa -- live]

[Excerpts] When I assumed the constitutional presidency on 26 January 1982, I outlined the ideological and pragmatic concepts that would guide my administration, infused with my desire to implement our government plan based on the sovereign mandate of the people. In this respect, I called upon all sectors of Honduran society to hold a national encounter of all sectors, proclaiming a government by consensus in which everyone contributed to effective distribution of justice in pursuit of a united Honduran people.

Today I reaffirm those concepts because the crisis we are experiencing is not the exclusive affair of the government. It is a national affair, a vital part of our republican life, and its solution can be rejected only by those who deny their homeland and who place their personal interests ahead of the nation's by thinking the resolution of our acute crisis does not concern them. They do not consider that, if the crisis worsens, they will also feel its negative effects.

I have never considered straying from the opinion that consensus is a determinant of the country's progress. My first act upon taking office and appointing my government was to call upon capable, dynamic and honest men to share the burden of government, without arbitrary classification or whimsical discrimination. Our actions have been directed toward direct participation of the country's different sectors in national decisions. We have maintained constant communication with the representative sectors of our society. This daily contact has allowed us to analyze jointly potential solutions for the complex problems facing the nation.

The armed forces, guided by the Constitution and their own regulations, have completely and responsibly identified themselves with the just aspirations of the people, who recognize the Honduran soldier as the guardian of our democratic and republican life, the defender of our national integrity and sovereignty and the active protector of the rights and property of the people. They have developed in a climate of harmonious coexistence and cooperative and united understanding.

With this institutional attitude and responsibility, the armed forces wrote a permanent page of our history by guaranteeing free and honest elections. This gesture has projected the name of Honduras as a country that seeks to substantially contribute to solid domestic peace and to international peace based on mutual respect among states.

With these attributes, the armed forces have acquired the commitment to maintain their unwavering support for the representative and pluralistic institutions and for the integrated progress of the government over which I preside. The government is interested, and will continue to be interested, in ensuring the technical improvement and professional modernization of the armed forces, because its members, due to their origin and education, express the spirit of our nation and the character of the Honduran people.

When I took office, I assumed the commitment to form a politically moral and institutionally ethical government in which the officials would serve the people, and not the other way around. As a dedicated Honduran citizen I have always wanted a destiny for my homeland in which the true moral values would prevail every day from dawn to dusk, and I have maintained untiring vigilance of the conduct of public officials.

Infused with this conviction, we have gradually achieved the management of a government that is truly austere and in which honesty is the norm of conduct for those who are obliged to comply with the people's requirements.

We promised to work for a stable peace based on justice in order to obtain the fruits of peaceful coexistence that would permit development to firmly overcome the backwardness that has characterized the country. We also promised to achieve and to keep that peace so it would not be eclipsed by violence and anarchy. This demands strengthening the political, economic and social democratic processes.

At home, we have made every effort to achieve and maintain stable and lasting peace prompted by our dedication as ruler.

We have worked for domestic peace, and with the same sense of historic responsibility we have also worked for international peace based on a foreign policy that will truly strengthen the essential principles of the international community. These principles include nonintervention, respect for the self-determination of peoples, mutual respect among states, full guarantees for human dignity, the defense of territorial integrity and national sovereignty, and cooperation with interdependence.

That is why, when I took office 1 year ago, I proclaimed that Honduras, which was emerging with difficulties but with optimism, would always be prepared to struggle for the fraternity among men, cooperation among nations and the exaltation of human dignity.

With the same conviction we maintained on that memorable occasion, we reaffirm today that Central America must be an area of peaceful coexistence in which the peoples and leaders maintain understanding through dialogue in an area of peace that is not tormented by the sounds of war of polarized confrontations.

We have continually played an active role in all talks and initiatives aimed at achieving for this region a climate of peace which, by understanding the causes of its problems -- which are nothing more than depressing social contradictions, economic backwardness and political repression -- promotes satisfactory solutions for the suffering and expectations of Central America.

Inspired by these goals, we made a global and regional peace proposal and, with continued and vigorous promotion, Honduras has obtained the backing and sympathy of many countries and international organizations, where its proposals have been received with attention because they are the voice of a democratic country that will make every effort for peace as an element for the dynamic operation of a participatory and pluralist democracy.

When I was sworn in as president, the country's economic and social situation was desperate and almost hopeless. The country was on the brink of bankruptcy and everywhere there was evidence of progressive deterioration in almost every aspect of our republican life. Often one had the impression that a destructive wave had smashed our people and that it was almost impossible or would require extraordinary efforts to rescue the country from the existing situation.

We are encouraged by the intimate conviction that we have taken firm steps on the path to a renewed Honduras, that we have established the bases for a new style of development that will permit us in the near future to strengthen our nation, to win the struggle of development and to offer our people the welfare they undoubtedly deserve. We are not exaggerating. This is the simple result of the cold analysis of our economic and social situation and the measures that we have adopted and are about to adopt.

The deputies will find in the present report everything concerning these aspects. Principally, we have managed to convert our international reserves to show a surplus and we have decreased inflation to a considerable degree. The flight of captial, that cruel way to work against the homeland, has radically decreased and we have begun to promote production with our own domestic resources in order to start overcoming the characteristic of an importing country, which has identified us internationally for so long.

It is important to point out the path traveled in returning the country to domestic as well as international confidence, thereby creating a climate of scurity for domestic and foreign investors. We have again become eleigible for credit, and this means essentially that we can resort to international aid in a rational and intelligent manner in order to complement the domestic efforts we are making for national development.

Our achievements in the social field are significant because they have been accomplished with fewer resources. They result from an unprecedented effort and a clear pursuit of purpose that we have followed since taking office. In this respect it should be noted that economic prospects for 1982 were for a 25 percent contraction.

Nevertheless, as a result of the measures adopted by the government, the contraction was limited to 1 percent, principally due to action taken in agricultural production and productivity and administrative austerity with the support of foreign economic assistance.

Gentlemen deputies, this has been a general outline of the achievements and obstacles in the nation's life that have become vibrant accomplishments or have obstructed the progress of our actions during my first year in office.

Gentlemen deputies, I submit to history to judge my conduct as ruler. I am inspired soley by the desire to service untiringly, unselfishly and responsibly the sacred interests of the homeland. I will do so with assurance and without hesitation, with the same words I invoked on 27 January 1982, which germinated in the bible and transcended to the spirit of the redeemer of mankind and the noble forefathers of the nation, with love for all and hate for no one. Thank you, gentlemen deputies.

EXPORTS TO NICARAGUA TO BE EXEMPT FROM SURTAX

PA262345 Tegucigalpa LA TRIBUNA in Spanish 25 Jan 83 p 48

[Text] As of 1 March, Honduran producers who well their products on the Nicaraguan market will be exempt from the 10 percent compensatory surtax on the FOB value of the products, which was decreed in June 1981 by Nicaraguan authorities in reprisal for Honduras's Decree 14-54. This decision is the result of recent negotiations in Managua between Alejandro Martinez Cuenca and Gustavo Alfaro, the two countries' economy ministers [as heard].

The talks, which also led to 2-year extension of the bilateral trade treaty that has been in effect since 1973, were described by Alfaro as excellent.

The minister said: "We found a favorable climate for negotiations with the Nicaraguan delegation. Our first agreement was to extend the bilateral treaty that governs trade between us for another 2 years as of 6 February."

"However," he added, "we think that the best results of the talks was the promise by the Government of National Reconstruction to revoke, as on 1 March of this year, Decree 174, under which Honduran exports were subject to a compensatory duty of 10 percent, which was having a harmful effect on our sales to that country."

"To reciprocate, Honduras proposed the creation of a permanent joint commission, to be presided over by the two nations' deputy economy ministers, to seek solutions to any problems that emerge from the application of Decree 14-54 in our country."

This decree, issued in April, 1981, establishes a 10 percent import tax on processed products imported by Honduras and a 5 percent tax on raw materials.

TRADE AGREEMENT REACHED WITH PANAMANIAN MISSION

PA262316 San Pedro Sula TIEMPO in Spanish 25 Jan 83 p 3

[Text] The bilateral trade commissions of Honduras and Panama concluded their first meetings on Friday, having reached agreement on some issues. They agreed to meet again in Panama city in March.

Honduras managed to have new products included on the list of exportable products in exchange for eliminating the 10 percent surtax on products entering Honduras from Panama. Panamanian products will be charged only the 10 percent duty promised for in Article 14-54, which applies to all imports.

In accordance with the specific agreements reached, Honduras will also sell leather gloves, starch and other products not covered by the bilateral agreement to Panama.

The commissions will continue discussion on a trade treaty in March. A governmental commission will travel to Panama for this purpose. The Panamanian mission was led by Humberto Villalobos, director of foreign trade.

NICARAGUA

MANAGUA NOTES REAGAN SPEECH, CITES DEMOCRATS

PA262023 Managua Radio Sandino in Spanish 1830 GMT 26 Jan 83

[Text] As an initial step toward the 1984 presidential elections, the major Democratic Party leaders in the United States last night responded strongly to President Reagan's state of the union message on the same evening.

On a television program aired after President Reagan's speech, the Democratic leaders, as well as a number of workers and experts, proposed a plan that may well represent the beginning stages of a battle to recover control of the White House. The plan, which the Democrats presented as an alternative to the President's speech to the U.S. Congress, stresses the need for research and development, education, the reconstruction of the United States, self-sufficiency in the field of energy and a strong defense that would include an arms freeze.

Thomas O'Neil, chairman of the House of Representatives, spoke in general terms of the retired people and their problems with the current Social Security system. He also discussed the discrimination against women, one of the groups that most strongly opposes Reagan's policy.

Democratic Party National Chairman Charles Manatt announced that his party, which has already launched its campaign for the 1984 election, wants to see the necessary investment of talent in order to bring about a sharp turn in the U.S. economy.

CASUALTIES FROM COUNTERREVOLUTIONARY AMBUSH

PA261818 Managua Domestic Service in Spanish 0300 GMT 26 Jan 83

[Communique released by the Nicaraguan Interior Ministry's Public and Foreign Relations Department in Managua on 25 January -- read by announcer]

[Text] The Nicaraguan Interior Ministry announces to our people that at 0900 yesterday, Monday, 24 January, a counterrevolutionary band ambushed a bus near (Hacienda el Amparo), located 19 km northeast of Yali, Jinotega Department. As a result of this criminal action, the following people died; 8-year-old (Eva Francisca Zeledon), Battalion 60-32 reservists (Dimas Calero) and (Denis Centeno Rivera) and Companeros (Natividad Herrera Castillo), (Gilbert Irias Torres) and (Miguel Zamora). They were all passengers in the bus that the counterrevolutionaries ambushed in a cowardly fashion. Battalion 60-32 reservists (Abel Duarte) and (Doroteo Rugama) were also injured.

This new criminal action perpetrated by the enemies of our people must be added to the aggressive escalation against the Sandinist people's revolution by the former Somozist guardsmen, who under the protection of U.S. imperialism every day kill children, elderly people, youths and women -- who with their blood guarantee the consolidation of revolutionary power.

MINISTRY REPORTS CLASHES WITH ANTI-SANDINISTS

PA261823 Managua Domestic Service in Spanish 0300 GMT 26 Jan 83

[Communique No 4 released by the Defense Ministry's Public and Foreign Relations Department in Managua on 25 January -- read by announcer]

[Text] The Defense Ministry reports:

1. That concurrent with the official announcement about the joint Honduran-U.S. maneuvers known as Big Pine, Somozist counterrevolutionary units have entered Nicaragua from Honduran territory. Several clashes have already occurred in northern Zelaya, including the border area of Cabo Viejo, which is located less than 20 km from one of the sites chosen for the above maneuvers, where Honduran and U.S. military troops have already begun concentrating.

2. As of today, in the battles waged in that area to repel the incursions originating in Honduran territory, our troops have sustained 4 casualties and have inflicted 29 casualties on the enemy. Various weapons and provisions have been recovered from the enemy.

TRADE AGREEMENT SIGNED WITH HONDURAN DELEGATION

PA262342 Managua BARRICADA in Spanish 20 Jan 83 p 5

[Text] The Nicaraguan foreign minister and the Honduran economy minister, who are in charge of the two countries' economic integration, signed an agreement yesterday extending their bilateral trade agreement for 2 years. They also agreed to establish specific agreements to render their economies complementary, including the use of barter mechanisms by which to best exploit their productive capabilties.

The signing ceremony, which was held at the Pochomil beach resort some 60 km from Managua, was attended by the entire Honduran delegation led by Economy Minister Gustavo Alfaro, as well as other officials and members of Honduras' private sector.

After the document was signed, Foreign Trade Minister Alejandro Martinez Cuenca told those in attendance that "the Nicaraguans hope that the agreement will foster strengthened relations and communication and thus help combat all of the misinformation that has caused tension in our relations; and that this important step in communication between our countries will help to consolidate Central American understanding and fraternity."

The Honduran economy minister said that his delegation viewed the signing of the agreement as an initiative that will strengthen economic relations and a step toward bilateral political detente.

Nicaragua and Honduras both decided to accord special treatment to the other country's products, particularly in terms of tariffs. In this regard, Nicaragua decided to revoke a decree that was scheduled to go into effect on 1 March.

DANIEL ORTEGA ON 'BIG PINE,' U.S. POLICY

PA261826 Managua Radio Sandino Network in Spanish 1200 GMT 26 Jan 83

[Text] The landing of U.S. and Honduran troops at the Salvadoran port of La Union as part of the Big Pine military maneuvers scheduled to start on 1 February may be a bridge toward intervention in that Central American country, Commander of the Revolution Daniel Ortega Saavedra told Mexican newsmen during an interview that was published yesterday by the newspaper EXCELSIOR in Mexico City.

The coordinator of the Nicaraguan Government Junta noted that the maneuvers were announced at a time when there is tension in the area and said that they constitute a clear-cut example of intervention in Central America.

When questioned about the possibility of reversing the trend toward militarization in Central America, the Nicaraguan leader said that, despite the United States, the dynamics of the struggles in Central America will not be disrupted. He added that the Salvadoran Army is a defeated army, and that Washington will have no other choice but to accept the changes in that country and, logically, to accept the revolution in Nicaragua. Finally, he said that initiatives to promote dialogue through visits and negotiated peaceful solutions run up against Washington's determination to wage war on Central America.

WHEELOCK: U.S. INFLUENCES REGION'S GOVERNMENTS

PA262159 Managua Radio Sandino Network in Spanish 1200 GMT 26 Jan 83

[Text] Commander of the Revolution Jaime Wheelock Roman, agricultural and agrarian reform minister, said yesterday that the United States, in its attempts to isolate Nicaragua, has subjugated the Costa Rican Government, has turned Honduras into a fascist-like state and is intervening in El Salvador.

The Sandinist leader warned that, even though the Reagan administration failed in its maneuvers to isolate Nicaragua in 1982, the Sandinist revolution is conscious of the fact that the United States will continue to exert pressures on and to attack our country. He added that the Reagan administration, knowing of Costa Rica's difficult economic situation, has subjugated that country's government and turned it into a pro-imperialist and pro-Zionist regime that is selling out its dignity and sovereignty.

Wheelock noted that Nicaragua had high hopes that the Honduran Government would be moderate, but the United States has turned it into a fascist regime and created (?fissures) in that country's society. He added that the U.S. Government has not achieved its goal of defeating the revolutionary forces in El Salvador and, to the contrary, is itself being defeated.

BARRICADA DEPLORES U.S.-HONDURAN MANEUVERS

PA260123 Managua BARRICADA in Spanish 20 Jan 83 p 3

[Editorial: "Another Stage of Aggression"]

[Text] The U.S.-Honduran "Big Pine" maneuvers, originally scheduled to be held in December, were repeatedly unmasked as an imperialist provocation that endangers the region's fragile peace. Even U.S. media stressed the significance and the large scale of the aggressive activities that were to be held along the Honduran-Nicaraguan border, where the criminal Somozists operate.

The flimsy disguise of "joint maneuvers" was unmasked by statements made by Honduran spokesmen and press dispatches that were later confirmed by Commanders Lenin Cerna and Julio Ramos.

We were ready for anything in December. Our people were manning their defenses, while the revolutionary government continued its search for dialogue and peace.

However, Reagan's visit to the area, although unsuccessful, led to the suspension of the aggressive maneuvers in a vain attempt to avoid the hue and cry that would have been raised had he visited the area while the provocative military maneuvers were taking place.

With or without the joint maneuvers, the joint crime being unleashed against Nicaragua from Honduras has continued to reap an increasing toll of victims in December and January.

The obvious U.S. involvement in directing the daily criminal attacks on our people could not be concealed by the postponement of the Hawkview '82 (now '83) maneuvers, nor by the cynical lies concocted at the last moment by the United States to try to deceive the delegates at the nonaligned meeting in Managua.

The Reagan administration's obstinate warmongering stand prevents it from recognizing the worldwide rejection of its policy in Central America. This rejection was reflected in the support given Nicaragua at the UN Security Council and later in the decisive Managua declaration, which was unanimously approved by the nonaligned countries.

Instead of moving it to reflection, its diplomatic failures bring out the aggressive and interventionist nature of the United States. All U.S. attempts to form new counterrevolutionary alliances in the area are unsuccessful (one by one, the "triangle of the north," "the Central American Democratic Community," and "the Forum for Peace and Democracy" have failed). Now it is trying to revive the old Central American Defense Council (Condeca), which proved to be so useful during the Eagle VI maneuvers in repressing the Nicaraguan revolutionary movement, during the halcyon days when it still had Somoza, although they were unable to stop the revolution.

The United States has found a replacement for its old and faithful gendarme; Honduras, which has shamelessly been playing Somoza's former role in the area. Now it is even taking on the leadership of imperialism's repressive body in the area; Condeca. It remains to be seen whether Honduras will have enough followers to revive the old and decadent alliance, or if it will just be a new name for the so-called "triangle of the north."

It must clearly be stated, however, that any large-scale attack on Nicaragua involving units from other Central American armies will mean a regionalization of the war, in which Nicaragua will not be the only theater. That is what we are trying to avoid. However, if they force our hand, they may rest assured that the Nicaraguan and other Central American peoples will resist and fight until they crush the aggressors, wherever they may be.

EDITORIAL ON 'DISTORTED' U.S. VIEW OF REGION

PA251856 Managua EL NUEVO DIARIO in Spanish 19 Jan 83 p 2

[Unattributed editorial: "Kirkpatrick Distorts Latin America's History and Reality"]

[Text] From Reagan on down to his ambassadors, U.S. officials with blindfolded eyes and minds continue to regard Latin America as their backyard, that is, an area where they can dispose of lives and property.

In this regard, and surely thinking that in this part of the world we still go around wearing loincloths, they constantly make statements that not only distort the history of our peoples, but their individual realities as well.

Thus, the State Department's propaganda service reports, in a dialogue held 11 January with Argentine businessmen, Mrs Jeane Kirkpatrick merrily asserted that the United States and Latin America "have profound attitudes, traditions, aspirations and heritages in common, and that these unite them...."

The angelic and naive Mrs Kirkpatrick added in the same tone that the Americas are not merely a geographical place, "but a dream, an adventure of those peoples willing to take risks against unknown difficulties!!!"

But contrary to the words of the gringo ambassador to the United Nations, the reality is different and very crude. The only thing we have in common with the U.S. people -- particularly with the Indians on the reservations -- is a similar aspiration for freedom, because the working masses of that great country are also suffering from the alienation and exploitation imposed by imperialism.

For Mrs Kirkpatrick's information, we must tell her that the Latin American peoples' lives have not been exactly an adventure, except one marked by fright, cruel exploitation and poverty, thanks to the intervention of the United States and its big monopolies in our territories.

The condition of our peoples' lives -- marked by extreme poverty and continual anguish -- came about because of the plundering of our natural resources, which the empire and its consortiums have carried out for decades, and through the empire's imposition of unmerciful, unpopular and exploitative governments that serve as instruments of its political and economic interests.

The "adventuresome" life suggested by the beatific Mrs Kirkpatrick includes not only the millions of children suffering from the scourge of malnutrition in Latin America but also the many millions who are born and die in this area without access to education, culture, health, work and decent housing.

In truth, to the successive U.S. administrations we have been nothing but a place for exploitation and cheap labor, mere producers of raw materials.

Thus, very far from what the ambassador claims, we the Latin American peoples can never share attitudes, aspirations or traditions with those who direct the empire that Kirkpatrick serves, because the interests of the exploiters have never been the same as those of the exploited.

In short, how can we share traditions with the president of an empire -- and it is the same with all his officials -- who isn't even familiar with the geography of the Americas (as they call us), who recently while in Brazil toasted the Bolivian people...?

No, the Latin American world and life that Mrs Kirkpatrick so innocently describes is completely different. It is the world reflected in Ambassador Anthony Quainton's statement at the airport yesterday: A world that for the last 70 years has been suffering under imperialist arrogance and intervention, its falsehood and deception, its economic and financial exploitation. But it is also a disgusted world, which has already begun rebelling and has decided to gain its freedom and independence.

STATION SEES U.S. MILITARIZING COSTA RICA

PA251530 Managua Domestic Service in Spanish 0300 GMT 25 Jan 83

[Editorial by Station General Director (Carlos Jose Guadamuz]

[Text] The U.S. call to action in Central America by means of the military maneuvers that are to be staged along with the Honduran, Guatemalan and Salvadoran armies, now includes the Costa Rican public force, that is, the budding Costa Rican armed forces -- a U.S. project and creation since the very outset of the Sandinist people's revolution.

The iron wall that the Reagan administration is erecting around Nicaragua was faced with the problem of Costa Rica's lack of a real military force that could be included in the Yankee plans or could at least serve as a screen for U.S. military deployment. But since in warmongering matters the Yankees do not stop at silly obstacles, the handiest solution was to include Costa Rica in the Central American militarist group. Neither Reagan nor Monge concerned themselves with the shattering of the civil image that Costa Rica created years ago. As long as Nicaragua could be surrounded, it did not matter if that country's prestige was pawned. Today Costa Rica has been hurled down a cliff of submission in the face of the Reagan administration's demand. Let's prepare then to witness Costa Rica's quick change into a state marked by boots and bayonets, where political crimes are an everyday thing, like in Guatemala, El Salvador and Honduras.

This would not be the first instance of a country's transformation from beauty to beast thanks to the Pentagon and the White House. Uruguay went through that process. Uruguay was once known as the Switzerland of America, where everything was exceptionally beautiful and sweet under a mantle of bourgeois democracy. Everything was pretty in Uruguay; elections, an apolitical army, human rights, a parliament and all the sanctimoniousness typical of capitalist propaganda; until one day, cornered by the people's pressure, the Yankees decided to change this beautiful panorama at the stroke of a pen and to turn Uruguay into one of the most ferocious and fascist military dictatorships in Latin America, to the point that 25 percent of the Uruguayan people have chosen to become exiles.

As for Chile, not much remains to be said. Even suckling babies know of the criminality of Pinochet's regime for under the dictates of imperialism he has turned his country from the peaceful haven it appeared to be into one of the worst hells in Latin America.

We are not being pessimistic, nor do we see everything black; but our historical experience tells us that the way it is going along the path chosen for it by the Monge administration, Costa Rica will soon become a new Chile or Uruguay. It all depends on whether the Costa Rican people stand up firmly and say no to both Reagan and his accomplice, the Costa Rican oligarchy.

CHURCH PROTESTS HONDURAN-U.S. MANEUVERS

PA241820 Managua Radio Sandino Network in Spanish 1200 GMT 24 Jan 83

[Text] Some 40 Nicaraguan Christian organizations, members of the Evangelical Committee for Aid to Development, Cepad, said Saturday that the Honduran-U.S. military maneuvers are a provocation by the Reagan administration.

(Sixto Ulloa), an evangelical pastor in charge of Cepad's international relations, said that the maneuvers are the U.S. reply to the declaration of Managua, signed in the first days of January in Managua by the foreign ministers of the Nonaligned Movement.

(Ulloa) quoted portions of the declaration of Managua that condemn U.S. intervention in Central America. According to (Ulloa) the Reagan administration has been negative instead of constructive and conciliatory.

The military maneuvers, in which some 7,000 Honduran and U.S. soldiers will participate, by no means reflect an interest in the peace proposals that the Mexican, Venezuelan and other mature governments have made, (Ulloa) indicated, referring to the conflict in Central America.

(Ulloa) urged the international community to condemn and oppose the maneuvers that will begin on 1 February, barely 15 km from our territory. He also criticized the attitude of some rightist political parties in Nicaragua, such as the Social Christian, the Social Democratic and others aligned under the so-called Ramiro Sacasa Guerrero Democratic Coordinating Board, which will tour South America but will not say a word about the military maneuvers and the crimes of the Somozists against our country.

Finally, he referred to the plans of the Honduran Army Supreme Staff chiefs to restore the Central American Defense Council, Condeca, which used to comprise the armies of Guatemala, El Salvador, Honduras and Nicaragua under Somozism. According to (Ulloa) this has been a long-standing project of the U.S. Government following the defeat of the Somozist regime in July 1979, aimed at destroying the revolutionary liberation movements inCentral America, a reference to the struggle of the Salvadoran and Guatemalan people.

MINISTER ON NATIONALIZED OIL, SOAP, FLOUR

PA261605 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 25 Jan 83

[Text] Domestic Trade Minister Companero Dionisio Marenco has explained the reasons for nationalizing the wholesale marketing of soap, oil and flour.

Minister Marenco explained that the revolutionary state will assume responsibility for the wholesale marketing of oil, flour and soap as a means of controlling the prices and the hoarding and speculation of these three staples, and of guaranteeing an equitable and continuous distribution to the consumers.

He added that the distribution of these three products will not be subjected to a coupon system, and that the distribution channels will remain the usual ones; grocery stores, retail salesmen, popular stores and organized people's supply committees.

He explained that due to the industrial nature of these three products, it is necessary to rationalize them, since they are subject to the lack of foreign currency and inputs, and also to the imperialist blockade.

[Begin Marenco recording] (?With) the (?direct) distribution channels in our hands, we can guarantee that if we have little, we will distribute it equitably; if there is abundance, there will be an abundance for everyone. In this manner we will also control some of the surplus revenues generated by these products, which will be used to subsidize other products [words indistinct]. [End recording]

Companero Marenco also explained the current situation of oil. [Begin recording] (?In the case of) oil, a ship expected in December was delayed. Since we were not sure whether the ship would get here in time, we reduced the production level in December, a time when there is higher consumption due to the Christmas holidays. As there was a reduction, there was hoarding by both families and speculators, and this led to problems.

Nonetheless, all the factories are going back to their normal production levels this week, and we will be able to flood the market with sufficient oil. There is no problem here.

Our problem is with flour, because in that case we depend on the wheat donated to us. We cannot guarantee that we will have a steady supply of flour. This product will always entail complications and difficulties. We must learn to live with these difficulties because wheat is not produced in Nicaragua. If they donate wheat to us, there will be flour and there will be bread; if nobody gives us wheat, there will be no flour and there will be no bread and we will have to find something else to eat -- corn, tortillas, plantains, or whatever. This is a different (?type of situation), so to speak.

As for soap, production remains at (?traditional) levels, but demand continues to climb. In the case of soap, the only alternative is to allocate more foreign currency to the soap industry so that more soap can be manufactured to satisfy the higher number of consumers.

COFFEE PRODUCERS, OFFICIALS DISCUSS NEW MEASURES

PA261520 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 25 Jan 83

[Excerpt] Three important decisions connected with coffee production have been announced by Jaime Wheelock, Midinra [Agricultural Development and Agrarian Reform] minister and commander of the revolution. The coffee producers of various state-run production units, small and medium-sized private coffee producers who are members of Unag [National Union of Farmers and Cattlemen] and big coffee producers in the sixth region's private sector all participate in an important assembly held at the Midinra headquarters in Matagalpa.

Minister Wheelock and other high-ranking Midinra officials presided over the coffee producers meeting. Both the private coffee producers and those in the various regional [word indistinct] discussed the problems of this sector, which generates foreign currency for the country.

In a climate that once again confirmed the prevalence of the mixed economy and the political pluralism promoted by the revolution, the producers explained the economic difficulties currently affecting them and keeping them from obtaining better harvests.

During their broad and frank dialogue, Commander of the Revolution Wheelock announced that the revolutionary government has made three important decisions that will benefit the coffee producers in the short term.

[Begin Wheelock recording] The first decision concerns 100-percent financing of the cost [words indistinct] banking budget for the national coffee production.

Second, once the possibility that our coffee production **will** continue to increase has been guaranteed, we will promote the coffee replanting program. [end recording]

Commander Wheelock also announced that a price of 1,200 cordobas per quintal of premium coffee will soon be established. This decision to increase by 200 cordobas the payment per quintal for premium coffee will benefit all of the country's producers.

HAVANA REGARDS REAGAN STATE OF UNION MESSAGE

PA261719 Havana International Service in Spanish 1600 GMT 26 Jan 83

[Text] Mass arrests of antiwar demonstrators preceded the annual report to Congress by U.S. President Ronald Reagan, who on this occasion admitted that the country is facing economic difficulties and asked the people to show more patience and courage.

Reagan admitted that this is a difficult period for many U.S. social sectors, including industrial workers, black teenagers and working women.

The U.S. President urged congressmen to support his new strategy designed to reduce the high budget deficit. To achieve this, he said, there must be an even greater reduction in allocations for social programs. He asked them to approve more emergency taxes to support the military budget, which has already been assigned millions.

In Reagan's opinion, all this is necessary in order to take what he described as the long path of economic recovery.

Antiwar demonstrators and groups that oppose Reagan's economic policy gathered in front of the capitol in Washington and demanded a radical change in the government's policies. Over 150 of them were arrested as they were about to enter the capitol building, where the U.S. Congress meets.

Other U.S. social organizations have demanded that a state of emergency be declared throughout the country, that food be distributed to the poor and that government buildings be set up to shelter the hundreds of thousands of citizens who are without homes during this harsh winter.

In various U.S. cities, the infant mortality rate has increased since President Reagan reduced the allocations for social programs. A report issued recently by the children's defense fund stated that federal expenditures for child health were reduced by 18 percent in 1982, while in 47 U.S. states mother and child health programs were cut back.

Other research reveals that infant mortality rates among ethnic minorities are at least twice that of whites.

SOVIET ENVOY AWARDS LENIN PRIZE TO ENGINEERS

FL261520 Havana Domestic Television Service in Spanish 1215 GMT 26 Jan 83

[Text] The ceremony to award the USSR's 1982 Lenin prize for scientific-technical achievement was held at the Soviet Embassy in Havana. (Jorge Abreu) and (Justo Brito), two Cuban engineers who work at the Agricultural Machinery Research and Construction Center, received this award. They stood out because of their work in the improvement of the KTP sugarcane harvester, a job they have been involved in since 1970. Konstantin Katushev, Soviet ambassador to Cuba and member of the CPSU Central Committee, awarded the medals to the distinguished Cuban researchers.

MALMIERCA, BULGARIA'S TODOROV HOLD TALKS

FL270022 Havana Domestic Service in Spanish 0000 GMT 27 Jan 83

[Text] Stanko Todorov, member of the Bulgarian Communist Party Politburo and chairman of Bulgaria's National Assembly, this afternoon met with Isidoro Malmierca, member of Cuba's Communist Party Central Committee and foreign minister, in Havana. Malmierca conveyed to Todorov the pleasure felt by the Cuban people, government and party for the visit of such an illustrious visitor.

For his part, Todorov noted the satisfaction of the entire Bulgarian delegation for visiting Cuba and stressed the importance it has because its members were afforded the opportunity to learn significant aspects of the current situation in Latin America.

Earlier in the day, the delegation toured the Hermanos Ameijeiras hospital in the capital's municipality of Centro Havana.

Since its arrival in Cuba last Monday, the Bulgarian delegation has met with party leaders and visited important industrial centers in Holguin and the Isle of Youth.

BARBADOS' TULL COMPLETES VISIT, DEPARTS

FL261937 Havana Domestic Television Service in Spanish 1800 GMT 26 Jan 83

[Text] Barbadian Foreign Minister Louis Tull concluded his 5-day official visit to Cuba this morning. Cuban Foreign Minister Isidoro Malmierca went to Jose Marti International Airport to bid farewell to Tull and his retinue.

In remarks to the press prior to his departure, the Barbadian foreign minister stressed the importance of his visit to Cuba which according to him will contribute to strengthening friendly relations between the two countries.

Tull approached other topics during his news conference: [Begin Tull recording -- in English with simultaneous Spanish translation] I tried to look for the similarities between our systems and programs underway in Cuba and those being carried out in Barbados in order to take a look at the areas in which we can give our cooperation.

[Reporter] Cuban television wants to ask Mr Tull what area of the economy does he feel calls for cooperation between the two countries; in other words, (?in what area would they undertake cooperation).

[Tull] There was a need for Cuba and Barbados to talk about assistance concerning tourism. Tourism is perhaps the main area in which Cuba would be interested in reaching bilateral agreements with Barbados to develop this very important sector of the economy. [end recording]

ITU SECRETARY GENERAL ARRIVES FOR VISIT

FL241950 Havana Domestic Television Service in Spanish 1800 GMT 24 Jan 83

[Text] (Richard Edmund Butler), secretary general of the International Telecommunication Union -- ITU -- arrived in our country last night in response to a cordial invitation by the Cuban Communications Ministry.

Pedro Guelmes, member of the Central Committee and minister of communications, met (Butler) at the Jose Marti Airport of this capital. Guelmes conveyed to the visitor his satisfaction for his visit to our country. With (Butler's) visit the celebration in Cuba of the international year of communications [ano mundial de las comunicaciones], the name given to 1983 by the ITU, acquires greater significance.

WESSIN CALLS FOR OUSTER OF ILLEGAL HAITIANS

FL251500 Santo Domingo Radio Commercial Network in Spanish 0930 GMT 25 Jan 83

[Excerpt] Immigartion authorities have repatriated over 4,500 illegal Haitian aliens during this administration's term in office. That information was given to NOTI-TIEMPO by (Andres Munoz Ramirez), assistant director of immigration, who denied that authorities had been remiss in carrying out their immigration responsibilities.

The official was referring to statements made by former Gen Elias Wessin y Wessin who last Sunday called on the government to deport more than 200,000 Haitians whom he alleged were in the country illegally. The assistant director of immigration refused to comment on the petition made by the president of the Democratic Quisqueyan Party, saying he did not know the full details of his statements.

GOVERNMENT, JAPAN TO SIGN DONATION AGREEMENT

FL251933 Santo Domingo Radio Commercial Network in Spanish 0930 GMT 25 Jan 83

[Text] A donation agreement will be signed between the Dominican and Japanese Governments in a ceremony slated for today at the Secretariat of Foreign Relations. The ceremony will be held beginning at noon at the Secretariat's conference room. The agreement will be signed by Dominican Foreign Secretary Jose Augusto Vega Imbert and Japanese Ambassador Masahiro Maeda. Following the signing, the two government representatives will deliver speeches stressing the excellent relations between the two nations and will share toasts with those attending.

GOVERNMENT GRANTED $459 MILLION IMF LOAN

FL251915 Santo Domingo Radio Mil Network in Spanish 1000 GMT 25 Jan 83

[Text] The attainment of an IMF loan of over $459 million was a great achievement for the Government and the Dominican people, said Bernardo Vega, governor of the Central Bank [words indistinct]. He said obtaining the loan was a great success first because the amount loaned made it one of the largest ever granted to a Latin American country.

Vega added that the second reason was that the loan would permit the country to (?spread) its debt and other commitments which are now (?overdue) [words indistinct]. He said that this situation had put the Dominican Republic, according to President Salvador Jorge Blanco's understanding, in a position where foreign bankers had refused to continue giving it credit. Bernardo Vega said that with the IMF loan the country's foreign debt payments will begin to flow again. He said the loan would also strengthen our foreign reserves and help to allay the fears (?regarding) our external debt with the foreign banks and [word indistinct].

Third, he said, and actually more important than the first two points, is the fact that the government was able to convince the IMF that the economic plan proposed by President Salvador Jorge Blanco on 16 August was the best possible for the country's situation. Vega said this was the reason the IMF accepted the economic plan without requiring significant changes in the new administration's economic policies.